

Younger gets tough on defence cuts

By Philip Webster, Chief Political Correspondent

Mr George Younger, the Secretary of State for Defence, admitted last night that the Government faced difficult decisions to accommodate reductions in defence spending over the next three years.

He disclosed to MPs a series of cuts that he has already decided to make in all three services, and he said that future tough decisions on the size and timing of all orders, "for the foreseeable future", would have to be made.

To the concern of the Conservative defence lobby the Government, after seven years of growth in defence spending, is aiming for cuts in the defence budget of about 1.5 per cent, or £280 million, in each of the next three years, excluding the planned cut in spending on the Falklands.

The Commons Defence Committee has already given a warning that the operational capability of the armed forces is under threat.

Mr Younger, speaking in a Commons debate, announced new economies which included:

- Plans to fit Type 22 frigates with new submarine listening devices have been abandoned.
- Provisions for new landmine systems are being reduced and a new generation of light anti-armour weapons, the so-called "Law mine", have been shelved.
- A cut is being considered in the second order of Harrier GR5 aircraft.
- The build-up of the Tornado GR1 reconnaissance aircraft force is being delayed.

Mr Younger said that in

future there would be no question of "wholesale deferrals" or of Britain having to withdraw from any of her major commitments or any major part of them.

"But in order to manage the transition from real growth I will inevitably have to take some difficult decisions."

The extent of the cuts facing the armed forces is causing acute concern in the Ministry of Defence. Mr Younger is believed likely to face a tough

question of "wholesale deferrals" or of Britain having to withdraw from any of her major commitments or any major part of them.

The Government was prepared to face up to difficult decisions, but it would be quite absurd to exaggerate these and draw conclusions of doom and gloom.

The defence committee predicted last week that the main source of economies would be the equipment budget and spoke of Mr Younger's "painful" decisions. It said that the reduction in expenditure came at a time when the threat to Britain's security was no less than it was.

Mr Younger hit out at critics of the Government who suggested the country's defences were on their last legs.

"Nothing could be further from the truth. Defence has harvested the huge benefits that have flowed from the seven successive years of our commitment to the Nato real growth aim."

But he added: "By any standards our achievement over the last seven years has been impressive. And the ending of our commitment to real increases in defence spending does not mean that the achievements are over."

Our programmes to update and reequip the armed forces will continue. But we have to be realistic. Real growth at that pace could not have continued forever."

Mr Younger said the result of the Government's efforts would be a realistic programme that allowed Britain to maintain her present all-round contribution to Nato.



Mr Younger: Need for difficult decisions.

Mr Younger said that in

future there would be no question of "wholesale deferrals" or of Britain having to withdraw from any of her major commitments or any major part of them.

The Government was prepared to face up to difficult decisions, but it would be quite absurd to exaggerate these and draw conclusions of doom and gloom.

The defence committee predicted last week that the main source of economies would be the equipment budget and spoke of Mr Younger's "painful" decisions. It said that the reduction in expenditure came at a time when the threat to Britain's security was no less than it was.

Mr Younger hit out at critics of the Government who suggested the country's defences were on their last legs.

"Nothing could be further from the truth. Defence has harvested the huge benefits that have flowed from the seven successive years of our commitment to the Nato real growth aim."

But he added: "By any standards our achievement over the last seven years has been impressive. And the ending of our commitment to real increases in defence spending does not mean that the achievements are over."

Our programmes to update and reequip the armed forces will continue. But we have to be realistic. Real growth at that pace could not have continued forever."

Mr Younger said the result of the Government's efforts would be a realistic programme that allowed Britain to maintain her present all-round contribution to Nato.

Mr Younger said that in

future there would be no question of "wholesale deferrals" or of Britain having to withdraw from any of her major commitments or any major part of them.

The Government was prepared to face up to difficult decisions, but it would be quite absurd to exaggerate these and draw conclusions of doom and gloom.

The defence committee predicted last week that the main source of economies would be the equipment budget and spoke of Mr Younger's "painful" decisions. It said that the reduction in expenditure came at a time when the threat to Britain's security was no less than it was.

Mr Younger hit out at critics of the Government who suggested the country's defences were on their last legs.

"Nothing could be further from the truth. Defence has harvested the huge benefits that have flowed from the seven successive years of our commitment to the Nato real growth aim."

But he added: "By any standards our achievement over the last seven years has been impressive. And the ending of our commitment to real increases in defence spending does not mean that the achievements are over."

Our programmes to update and reequip the armed forces will continue. But we have to be realistic. Real growth at that pace could not have continued forever."

Mr Younger said the result of the Government's efforts would be a realistic programme that allowed Britain to maintain her present all-round contribution to Nato.

Mr Younger said that in

future there would be no question of "wholesale deferrals" or of Britain having to withdraw from any of her major commitments or any major part of them.

The Government was prepared to face up to difficult decisions, but it would be quite absurd to exaggerate these and draw conclusions of doom and gloom.



Australia's Pat Cash showing his winning style at Wimbledon yesterday (Photograph: Chris Cole).

Couple 'spied by numbers'

By Stewart Tendler

Espionage equipment, "escape kits" with false papers and evidence that Morse code messages had been received from East Germany were discovered by police when they searched the west London home of an East German couple, the Central Criminal Court was told yesterday.

Mr Allan Green, opening the prosecution case against Reinhard Schulze and his wife Sonja, said a brevity code, substitution box and one time pad were used for changing letters or phrases into numbers and then scrambling them for transmission in Morse code.

For example, he said, the letter G equalled 75, U equalled 87 and some of the common German letters were single numbers so that A equalled 0 and E equalled 1.

The brevity code had a series of numbers which meant certain phrases. He said 253 equalled cover address or safe house while 415 was secret writing material and 550 was a microdot.

To transmit a message in German it was written out first then the brevity code and substitution box were used, this scrambled the message which could be further encoded by using numbers from the one time pad. The receiver at the other end would have a matching pad to unscramble the message.

Mr Green said "the brevity code tells you straight away"

Continued on page 2, col 2

Reinhard Schulze: 'Told lies'

Political fringe, page 7

Adam Michnik, page 12

Leading article, page 13

From sick bed to last eight

By John Goodbody

Pat Cash, of Australia, who was knocked out in hospital a month ago with appendicitis, yesterday upset Sweden's Mats Wilander, the No 2 seed, to reach the men's singles quarter-finals at Wimbledon.

Cash, whose injury and recent illness has sent his world ranking plummeting from a place in the top 10 to number 413, won 4-6, 7-5, 6-4.

The former Wimbledon Junior champion, aged 21, had become a favourite of the crowd in earlier matches and they responded by wildly cheering his recovery.

Cash said afterwards: "If you had a crystal ball and said I would have beaten Wilander I would not have believed it."

In the women's singles fourth round, Chris Lloyd, three-times champion and the No 2 seed, was 5-1 down in the first set to a fellow American, Kathy Jordan.

But Mrs Lloyd fought back and won six successive games in that set and eventually triumphed 7-5, 6-2.

Reports, pages 37, 40

Exchange of letters, page 5

By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

But Mr Fennell alleged that PC Chester's statement could not be true as the bullet from his gun had not damaged the blanket before hitting the boy.

Report, page 3

Another writer, Sergei Mikhailov, said that the state publishing agency was already considering whether to go ahead after strong pressure at the congress, during which some 200 writers spoke.

Women 'no bar to unity talks'

By Clifford Longley

The ordination of women priests by the Church of England would not end unity negotiations with the Roman Catholic Church, Pope John Paul II has indicated to the Archbishop of Canterbury, Dr Robert Runcie, in correspondence between them published yesterday.

But the Vatican has also firmly restated the Catholic Church's official position, that the exclusive maleness of the priesthood is not something any church can change, either by itself or by agreement with others.

While saying that talks between the churches must go on, the Pope nevertheless warns that the advancement of female ordination in the Anglican Communion worldwide is an "increasingly serious obstacle" to further progress towards church unity.

The Pope's letter, and one from Cardinal Johannes Willebrands, head of the Vatican Secretariat for Christian Unity, have been published a week from the crucial debate in the General Synod on legislation for introducing women priests, and will inevitably be much quoted there.

In his replies, Dr Runcie states that he "fully realizes" the obstacle the ordination of women would create. He greets the Pope's intervention in the Anglican debate as "an expression of that responsibility in pastoral care for the unity of all God's people which is part of the office of the Bishop of Rome."

The entire correspondence — two lengthy letters in each direction — is marked by conspicuous courtesies.

In a following letter to Cardinal Willebrands, the Archbishop expresses his own doubts about the wisdom of Anglicans proceeding in the face of opposition from the Orthodox and Catholic churches.

But Dr Runcie also develops the argument that as "the humanity of Christ our High Priest includes male and female", the ministerial priesthood should now be open to women "in order the more perfectly to represent Christ's inclusive High Priesthood."

The representative nature of the priesthood is actually weakened by a solely male priesthood "when exclusively male leadership has been largely surrendered in many human societies."

The correspondence is the first occasion on which there has been an official theological exchange at senior level for and against women priests. The then Archbishop of Canterbury, Lord Cogan, and Pope Paul VI exchanged letters 10 years ago.

Exchange of letters, page 5

By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

But Mr Fennell alleged that PC Chester's statement could not be true as the bullet from his gun had not damaged the blanket before hitting the boy.

Report, page 3

Another writer, Sergei Mikhailov, said that the state publishing agency was already considering whether to go ahead after strong pressure at the congress, during which some 200 writers spoke.

South African envoy praises Thatcher line

By Richard Evans and Philip Webster

Mr Denis Worrall, the South African Ambassador to Britain, last night went out of his way to praise Mrs Margaret Thatcher for her "constructive" approach to his country's crisis.

He told the Commons foreign affairs select committee that her ability to distinguish between damaging economic sanctions and positive measures that would assist in eliminating apartheid was more likely to bring about change.

His strong endorsement of the Prime Minister's controversial stance on South Africa, on the eve of her statement to the Commons today on last week's EEC summit at The Hague, is bound to be seized upon by Mr Neil Kinnock, leader of the Labour Party, and other opposition MPs.

Meanwhile, Mr Denis Healey, the shadow Foreign Secretary, said that President Kaunda of Zambia was intent on leaving the Commonwealth unless it agreed to effective sanctions against South Africa at next month's Commonwealth summit.

Mr Worrall told MPs that the possibility of his Government making concessions or constructive moves was more likely when foreign critics of Pretoria reached a "more realistic" assessment of the internal situation in South Africa.

"It is one thing to focus on the deficiencies of South African society and the immoralities of apartheid. It is another thing altogether to make constructive suggestions and to want to play a constructive role in creating a post-apartheid society."

The anti-South Africa campaign, which he claimed was one of the best financed and internationally orchestrated, had resulted in little change. "The reason it has failed so far is that it does not appeal or take account of the self-interest of white South Africans. It ignores his particular interest. It ignores his point of view."

He added: "I sense something emerging in Prime Minister Thatcher's attitude, a difference between economic measures which would cause economic damage and measures which will assist in eliminating apartheid."

"That to my mind is a new distinction... and is a more constructive approach than just beating the hell out of the South Africans."

Earlier Mr Worrall said he could not speculate on the outcome of the planned visit to South Africa by Sir Geoffrey Howe, the Foreign Secretary, and the EEC initiative's chances of success. "That is going to depend on when Sir Geoffrey visits South Africa, how the state of emergency develops and the mood of the Government at the time."

But he insisted: "We will sort out our internal affairs according to the interests of all South Africans."

Mr Healey, on his return from his visit to southern Africa, said that in five hours of talks with Dr Kaunda he had tried to persuade him to stay in the Commonwealth and fight for action from within.

Continued on page 20, col 2

By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

But Mr Fennell alleged that PC Chester's statement could not be true as the bullet from his gun had not damaged the blanket before hitting the boy.

Report, page 3

Another writer, Sergei Mikhailov, said that the state publishing agency was already considering whether to go ahead after strong pressure at the congress, during which some 200 writers spoke.

By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

But Mr Fennell alleged that PC Chester's statement could not be true as the bullet from his gun had not damaged the blanket before hitting the boy.

Report, page 3



It's not only cheaper than abroad — it's HOTTER...

most of the country, the overall picture for the whole month is likely to be only slightly above normal. Sunshine levels for the first 26 days were up just 1 per cent.

Forecast, page 20

By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

But Mr Fennell alleged that PC Chester's statement could not be true as the bullet from his gun had not damaged the blanket before hitting the boy.

Report, page 3

Another writer, Sergei Mikhailov, said that the state publishing agency was already considering whether to go ahead after strong pressure at the congress, during which some 200 writers spoke.

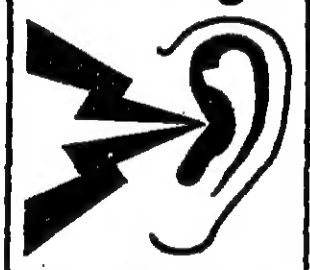
By gross negligence or recklessness"

The court heard that the 6m police raid was part of a police operation to search for three men, one of them John Shorthouse's father.

In statements to the police, the court heard, PC Chester insisted that he was not aware that there was a child on the bed and was adamant that he did not realize his gun had gone off until he heard moaning from beneath a blanket.

Officers found him standing over the bed saying "I have shot him, I have shot him."

Tomorrow Sounds infuriating



Noise: fighting the modern world's most persistent pollution

Portfolio Gold

● The £4,000 prize in yesterday's Times Portfolio Gold competition was shared by four readers — Mr Charles Knott, of Faudhouse, West Lothian; Mr B.G. Pratt, of Leasbury, Alnwick, Northumberland; Mr George Parker, of Rugby, Warwickshire; and Mr Ian Walker, of Chard, Somerset.

● There is another £4,000 to be won today.

● Portfolio list, page 25; rules and how to play, information service, page 20.

Dow record

Wall Street shares jumped 15 points in early trading in New York, taking the Dow Jones industrial average above 1,900 for the first time.

Early report, page 24

Fashion bid

Next, the fast-growing fashion chain which is expanding into home selling, launched an agreed £299 million bid for Granat, the Bradford-based mail order company.

Next style, page 3

£299m offer, page 21

Gorbachov signals end of Solidarity

From Roger Boyes, Warsaw

Mr Mikhail Gorbachov, the Soviet leader, yesterday accused the United States of shunning all Moscow's arms initiatives and, quoting Greek mythology rather than Lenin, charged the Americans with trying to kidnap the independent policies of Western Europe.

Mr Gorbachov was addressing the 1,700 delegates to the Polish Communist Party congress.

His speech appeared to have two main objectives. The first was to signal unambiguous approval for the party leadership of General Wojciech Jaruzelski and formally to drop the curtain on the Solidarity era.

The second aim was to convince the West that recent arms reduction proposals from Moscow were not made out of weakness nor as the result of pressure.

That part of the speech was crisp and impatient. It was above all tough in what it omitted: no reference to a summit with President Reagan, no answer to the President's conciliatory statement in Glasboro and no elaboration of the Soviet arms offer in Geneva.

The nearest he came to a discussion of current East-West arms talks was the laconic: "Our troops in other countries are not anchored there permanently but if anchors are to be lifted they must be hoisted from both sides."

He challenged the West Europeans to strike out on their own — but emphasized that this was not a ruse to split the Europeans from the Americans.

The appropriate metaphor, he said, came from the Greek legend of the abduction of the

Phoenician princess Europa who was first attracted to and then carried away by Zeus disguised as a white bull. As the bull started to transport her over the ocean, Europa began to wail. "The legend has very contemporary relevance," said Mr Gorbachov.

"Of course Europe stays where it is geographically, but one gets the impression that the independent policies of some European states are being kidnapped and taken across the seas."

"We do not want to be misunderstood, we are not trying to drive a wedge between Europe and the United States. Some time ago, though, the socialist countries viewed as a positive thing the participation of the United States in the European process. At the moment, however, it looks as if the US has decided to act in exactly the opposite direction."

"Are the European peoples really interested in such a development? One must not let US imperialism decide the fate of the world."

He was in favour of real dialogue with the West but not if such talks served the United States as a smokescreen for intensifying the arms race.

The audience most likely to be satisfied by Mr Gorbachov's speech is the Polish party leadership.

Relations are again sweet between Moscow and Warsaw. A smacking kiss, fraternally offered and fraternally received, marked the end of Mr Gorbachov's speech, both leaders hugging each other in the sticky heat of the congress hall.

Political fringe, page 7

Adam Michnik, page 12

Leading article, page 13

Dr Zhivago may yet win party praise

From Christopher Walker, Moscow

As part of the Soviet Union's cultural thaw, intensive efforts are under way by leading intellectuals to secure the first publication here of Boris Pasternak's celebrated novel *Dr Zhivago* and to establish a museum in his honour in a picturesque writers' village on the outskirts of Moscow.

Dr Zhivago, first published in the West in 1957, has never appeared officially in the Soviet Union because it was regarded as failing to portray the 1917 revolution in a positive light. *Samizdat* (clandestinely produced) versions of the novel, however, are keenly sought as are Western videos of the film.

Dr Zhivago was deliberately excluded from a two-volume collection of Pasternak's works published earlier this year.

The controversial campaign to restore Pasternak to his proper position in the pantheon of Soviet writers, 26 years after his death, is being led by Yevgeny Yevtushenko, the maverick poet who has been in the vanguard of growing criticism of literary censorship since Mr Mikhail Gorbachov came to power last year.

The struggle to restore Pasternak's position played an important part in last week's watershed congress of the Writers' Union, held behind closed doors in the Kremlin.

The congress elected a new, 63-strong secretariat, in which Mr Yevtushenko and other liberal writers have surprisingly secured official positions.

Because of the complexities of Soviet red tape, literary sources predicted yesterday that even if the campaign over

Dr Zhivago wins rapid approval, it is likely to be at least five years before the novel reaches Moscow's state-controlled bookstores.

At a press conference attended by nine of the country's leading literary figures, Mr Yevtushenko disclosed that during the congress a petition signed by 40 prominent Soviet authors was presented. It demanded that a Pasternak museum be established in the village of Peredelkino where he lived.

The original campaign against Pasternak was led by, among others, Georgi Markov, the veteran former chief of the union who, on Saturday, was removed upstairs to the ceremonial post of chairman.

It intensified when Pasternak won the Nobel Prize in 1958, a prize he was later pressured to

reject in order to avoid being forced to emigrate.

In 1984, the union forced the eviction of his relatives from his wooden house in Peredelkino and tried to install another author there. Later, it resisted attempts to open a museum in his memory, trying instead to establish one to all writers associated with the village.

Scargill urges more industrial action to protect pit jobs

By Tim Jones

Mr Arthur Scargill yesterday called for more industrial action by miners to "stop the onslaught against the industry".

He claimed the year-long strike, which ended barely 18 months ago, had saved thousands of jobs.

Mr Scargill, president of the National Union of Mineworkers, said: "Unless this union is prepared to take positive action up to 42 more pits will close or merge, with 60,000 more jobs wiped out over the next few years."

"This is the reality we face. To accommodate or to attempt to placate is to surrender. We can surrender or fight back. There is no middle ground."

Mr Scargill, who was addressing the union conference in Tenby, Dyfed, claimed British Coal had a hit list of 53 of the 75 mines earmarked for closure in the original list had already gone.

Industrial action had shown clearly that the British Coal's programme of "butchering" should be stopped, he said.

Since March 1985, 27 pits, five collieries and 10 workshops had been closed with a loss of 43,000 jobs.

"Nevertheless, the truth is that our determined stand during the overtime ban and the year long strike actually saved at least 30,000 jobs and approximately 22 pits which the board had planned to close by March 1986."

"Make no mistake, the board will still try to carry out its closure programme."

Events during the past year proved that sooner or later miners would have to take "organized and united action".

He told the miners that if they were to move forward it was essential for the pessimism and defeatism which had prevailed among some of them since the end of the strike should be dispelled.

Without being specific, Mr Scargill said that only "direct action" which carried economic impact could halt the policies and slide to complete disaster which faced Britain.

He made it clear that the union would expect the next Labour government, as its first task, to reinstate all the 500 miners who had been sacked during the strike.

He said there should be no hesitation by that government in dismissing British Coal managers where there was evidence of them being party to the butchery of the industry, intimidation of its workforce and continued attacks on the union.

But Mr Scargill's calls for action were greeted in silence and area leaders immediately made known their disagreement with him in public. Mr George Rees, general secretary of the South Wales NUM, praised Mr Scargill for his consistency, but said a strike was "out of the question".

As if to emphasize their disapproval of their leader the delegates did not give Mr Scargill the standing ovation to which he has become accustomed.

Dean puts case for single print union

By Peter Davenport

The merger of the two print unions, Sogat '82 and the National Graphical Association, is vital to their future, Miss Brenda Dean, general secretary of Sogat, said yesterday.

"If we do not amalgamate we shall finish up like the dodo and the pterodactyl, extinct because they refused to adapt and accommodate", she said.

Miss Dean, who was addressing 400 delegates at the NGA's biennial conference in Blackpool, said the News International dispute clearly demonstrated the need for a single union.

The dispute would last until there was a settlement accepted by members in a ballot.

She said she had not heard of any developments from the trip by Mr Eric Hammond, general secretary of the electricians' union, to the United States for talks with Mr Rupert Murdoch, chairman of News International, to settle the dispute.

Mr Tony Dabbins, the NGA general secretary, accused the electricians' union of "treachery and collusion" between an employer and a union over the recruitment of members in Southampton and Glasgow to work at Wapping.

Mr Arthur Britten, director of corporate relations for News International, said later that talks took place at the weekend between Mr Murdoch and Mr Bruce Matthews representing the company and Mr Hammond and Mr Tom Price of the EETPU.

"The union leaders made representations to Mr Murdoch on re-opening negotiations on the Wapping dispute. Mr Murdoch agreed to consider the matter."



Mrs Thatcher and Mr Paul Channon, Secretary of State for Trade and Industry, at the Eureka conference yesterday.

Thatcher calls for open EEC

By Paul Valley

Fresh momentum must be given to creating a genuine, single open market within Europe, Mrs Margaret Thatcher told European ministers in London yesterday.

In spite of the growth in world demand for new technologies, Europe's share of those markets has fallen, the Prime Minister told the third conference of Eureka.

Eureka is an initiative sponsored by the EEC to promote collaboration in fields of advanced technology and improve competitiveness in world markets.

Europe has been slow to act in competing with the United States and Japan in the field of new technology, she said. The problem was not lack of inventive ideas but European reluctance to turn ideas into well-designed products which people wanted to buy.

One great advantage possessed by Europe's main competitors was the size of their home markets, 240 million in the US and 120 million in Japan. Yet Eureka's market area was nearly as large as the American and Japanese markets combined.

"Governments must reduce the barriers to trade so that Europe can enjoy the same economies of scale," she said. "If we fail, we face the stark prospect that the United States and Japan will monopolize world markets in high technology goods. And we in Europe will not succeed in creating the new manufacturing jobs we need in order to reduce unemployment."

Chalker warning on Europe

By Michael Horsnell

Britain was given warning yesterday that its presidency of the European Community, which begins today, will not mark the new dawn in European affairs.

But Mrs Lynda Chalker, Minister of State at the Foreign Office, said that Britain's six-month term of office will take Europe along the way on the road to unity.

Addressing the London European Society, Mrs Chalker said that the Community would seek co-operation to achieve solutions to global problems, including South Africa, but she failed to elaborate on that.

She said: "We hope to step things up to such a pace as to make it possible to have a genuinely free internal market by 1993. We should none of us fool ourselves into supposing that this, achieved on time, will usher in the millennium. But at least it will take us a long way to creating the conditions of European unity, which have eluded the community for 30 years."

Greater unity would be achieved by the Single European Act, designed to break down trade barriers, which was agreed by the Heads of State at the European Council in Luxembourg at the end of the Luxembourg presidency.

The conduct of the Community, she said, needed to be improved because of its enlargement, the growth of Community business into new areas not covered by treaty, and the overriding need to make better progress of the freedom of the internal market.

Third government defeat on benefits

By Sheila Gann

The Government suffered a third defeat in the House of Lords yesterday when it voted to keep the right of appeal to an independent tribunal for social security claimants.

Peers left ministers in no doubt that they could not be pressed into rubber-stamping the overhaul of the benefits system, brought together in the Social Security Bill.

They approved an amendment by a majority of 16 which will allow those seeking single payments under the new social fund to appeal to an independent tribunal if their application is turned down.

The Government's defeat came in spite of hard work behind the scenes by the whips and the absence of Lord Scarman, one of the amendment's sponsors.

The Government had been under great pressure in the Commons not to abolish the right of appeal for claimants and had eventually promised to restore it. But peers were

critical that the solution drawn up by ministers meant claimants could appeal only to another official and not to an independent body.

It is not thought likely that the Government will attempt to reverse the defeat when the Bill returns to the Commons.

Lord Wigoder, the Liberal judge, said yesterday that 112,000 claimants had gone to tribunals to fight for benefits in the past four years and 25,000 of them had won their cases.

The Lords approved changes to the Bill last week, which could add £460 million a year to the social security budget.

They rejected a clause to force the unemployed and other claimants to pay the first 20 per cent of their rates bill and agreed to a new community care allowance for the severely disabled. The Government is expected to try to overturn those decisions.

Parliament, page 4

Delay for Channel link start

A start on building the Channel rail tunnels is likely to be delayed for up to six months as objectors from Kent launch a campaign to block the Bill in Parliament.

Eurotunnel Consortium, the English and French partnership planning to build the £3,000 million link, said yesterday the delay would be "undesirable but not disastrous".

The original timetable drawn up by Civil Servants predicted the completion of the detailed select committee stage by the end of July. But Commons officials were last night still sorting the 5,000 petitions on the Bill, and each will have the right to be heard.

The committee is to visit the Kent coast today to see the site of the tunnel entrance. It does not plan to sit through August, but is making arrangements to reconvene in mid-September.

Nunn sues over cash report

By Gavin Bell

Mr Trevor Nunn, the head of the Royal Shakespeare Company, has started legal proceedings against *The Sunday Times* after publication of a report that he and Sir Peter Hall, his counterpart at the National Theatre, were amassing personal fortunes while their theatres were dependent on public subsidies.

Mr Nunn yesterday described the article as "dreadfully inaccurate and scurrilously defamatory".

The National Theatre announced that Sir Peter would address a press conference today.

The essence of the newspaper report on Sunday was that both artistic directors had been using their positions to launch new productions through the subsidized theatres and then transferring them, at considerable profit, to commercial theatres.

In *The Sunday Times* article, both artistic directors defended their positions by saying that their deals were "vetted down to the last comma by our boards and then by the Arts Council".

Mr Luke Rittner, general secretary of the council, said it was aware that the commercial exploitation of subsidized theatre productions would "from time to time raise difficult questions".

Mr Richard Luce, the Arts Minister, said in a statement that he was aware of growing public concern.

Theatre backstage, page 12

Couple 'spied by numbers'

Continued from page 1

the sort of people likely to be in need of that vocabulary to send their messages and in simple English the answer is spies or secret agents."

Bryan Strunz worked as a kitchen designer and his wife, Fiona, was a translator, but they were using false names. They had come to Britain as secret agents or spies for East Germany, the court heard.

Questioned by police they said they were Reinhard Schulze and Songa Schulze but the court was told it was not clear if these names were true or part of the cover-up.

Each made a statement to police denying involvement in espionage and gave an East Berlin address.

Yesterday Mr Schulze, aged 33, and his wife, aged 36, pleaded not guilty to a charge under the Official Secrets Act.

The charge was that between 1980 and 1985 they had committed "acts preparatory to communicating to another person information which was calculated to be or might have been or was intended to be

directly or indirectly useful to an enemy" by living in the United Kingdom and having false documents of identity; maps; equipment for receiving or sending secret information, and receiving and recording secret radio transmissions.

Mr Schulze had pleaded not guilty to a charge under the Act of making a false statement that he was Bryan Strunz in an application for a British passport. His wife pleaded not guilty to a charge of having an Austrian passport in the name of Fiona Hammer.

Mr Schulze had pleaded guilty to a charge under the Forgery and Counterfeiting Act, 1981, of having a false United Kingdom passport for Philip Beattie. His wife pleaded guilty to a charge of having a false West German identity card.

Mr Green told the court: "Put simply the case is that the two defendants came to live in this country as secret agents or spies for East Germany."

The hearing continues today.

Militant plea rejected

Mr Tony Mulhearn, the Liverpool Militant, failed in the High Court in London yesterday to lift the "sentence of political death" he says was imposed on him by his expulsion from the Labour Party.

Sir Nicolas Browne-Wilkinson, the Vice-Chancellor, refused Mr Mulhearn's application to stop the expulsion taking effect until he could challenge its legality in the courts.

In refusing the former Liverpool District Labour Party president an injunction banning the Labour executive from acting on its decision, the judge criticized his use of the courts "as a tactical weapon in the political battle."

But he agreed that there were triable issues involved and ordered a trial for October.

THURSDAY COULD CHANGE YOUR LIFE

PAGES AND PAGES OF JOBS FOR:

Financial and Accounting
Chief Executives
Managing Directors
Directors
Sales and Marketing Executives,
Public, Finance and
Overseas Appointments.

SEE GENERAL APPOINTMENTS
IN THE TIMES THURSDAY

Lusieri drawing sells for £253,000

By Geraldine Norman, Sale Room Correspondent

Lusieri has not been a name to conjure with but one of his drawings, estimated to sell for £10,000 to £15,000, made £253,000 at Sotheby's yesterday. More of his drawings are likely to come on the market soon.

Giovanni Battista Lusieri was born in Rome but moved to Naples in the 1780s and made a living painting Italian views for English travellers on the Grand Tour. In 1799 he

began to work for Lord Elgin and lived in Athens, working as his agent.

Elgin's admiration for Lusieri's talent is revealed by his purchase of earlier drawings of views around Naples, some unfinished, from Lusieri's heirs. It was those vibrant watercolours that had been sent for sale at Sotheby's by the present Lord Elgin.

It was a view of Naples

across a wide expanse of bay with Vesuvius puffing in the background that fetched £253,000.

Christie's, meanwhile, set a new auction price record for a dinner service at £237,600 (estimate £75,000 to £100,000).

The Sevres service with rich botanical decorations was a present from Louis Philippe of France to the Comte de Salvandy.

'Forgotten illness' sufferers to get help

By Thomson Prentice
Science Correspondent

Organizers of a new charity which aims to raise millions of pounds to help sufferers of schizophrenia told the Prince of Wales last night of their plans.

The charity, Sane (Schizophrenia, a National Emergency), has been formed as a result of articles in *The Times* which described the impact of the illness on a quarter of a million British victims and their families.

The series, *The Forgotten Illness*, by Marjorie Wallace, produced an extraordinary public response, including hundreds of letters, and led Times Newspapers to set up a schizophrenia appeal.

The Prince of Wales expressed interest in the subject and in the plan to start a national campaign. The charity will launch the campaign early next year.

Sir Ralph Halpern, chairman of the Burton and Debenham Group, was approached by *The Times* to become chairman of the appeal.

Lady Tryon agreed to become vice-chairman and the trustees are Lord Goodman, Lord Mousstone, Mr Bruce Matthews, of News International, Mrs Sylvia Matthews and Miss Wallace.

Others who have offered to help to raise funds for Sane include Lord and Lady Astor, Mr David Frost, Mr Desmond Wilcox and Miss Esther Rantzen, the television presenter, and Sting, the singer and actor.

Spectrum, page 10

£39 fare

British Midland yesterday cut its one-way restricted fare to Amsterdam to £39. Five flights will operate between Heathrow and Schiphol each day at fares of up to £119 return.

Child inquest

Sarah Harper, aged 10, a Salvation Army chorister, of Brunswick Place, Morley, west Yorkshire, died from asphyxia, the Leeds coroner was told yesterday. The inquest was adjourned for three months.

Hippie repairs

Hippies were yesterday allowed a further 21 days to repair their vehicles impounded by police after the eviction from Stony Cross in the New Forest three weeks ago.

Extra time

Middlesbrough Football Club was given 14 days in the High Court yesterday to find a financial rescuer to save it from extinction.

Spanish visit

King Juan Carlos and Queen Sofia of Spain arrived in Dublin yesterday for the first visit by a Spanish monarch to the Republic of Ireland.

Warder jailed

Kenneth Wilcox, aged 52, a prison officer, who admitted smuggling drugs into Cardiff jail for inmates, was jailed for five years yesterday by Cardiff Crown Court.

The Somme survivors return

An apocalypse relived

By Alan Hamilton

The great arch monument on Thiepval Ridge stares down in silent and pompous grandeur over the rolling plain of Picardy, where pale red poppies still pepper the ripening corn. On its stone tablets are carved the names of 73,000 men who did not return from war's most evocatively bloody chapter. But it is not a catalogue of those who died on the Somme; it is merely a list of those they never found.

This morning, 70 old soldiers who survived the monstrous anger of the guns will be present at Thiepval to participate in a service of commemoration on the 70th anniversary of the day in 1916 that the Old Pals went over the top, the day that 20,000 men were slaughtered in the first hour, the day the nation's bubble of innocence and hope was forever burst.

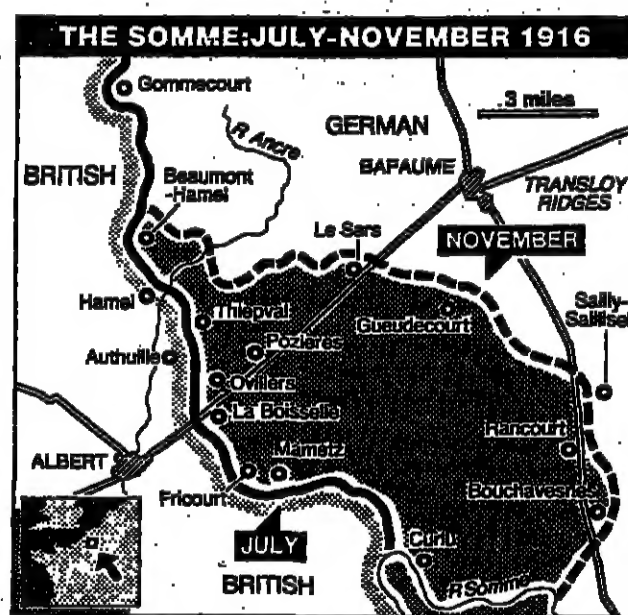
They will be joined by the Duke of Kent, Colonel-in-Chief of the Devon and Dorset Regiment and the Army's principal royal figurehead; Mr George Younger, Secretary of State for Defence; and representatives of the French and many Commonwealth governments.

Wreaths will be laid and sacrifice recalled. But few of the veterans will need any reminding; most have spent every day since troubled by a vision of hell and marvelling at their own survival.

Many come regularly, but they will not come much longer. The youngest veteran is 86, the oldest 95. Soon there will be none left to tell at first hand their story to a generation that fears annihilation but has never witnessed it.

The men who went to the Somme were part of the biggest volunteer army in history, sparsely trained and few of them yet at their 22nd birthday; within the first month of Kitchener's appeal, 50,000 answered his pointing finger and call to arms, driven by patriotism, adventure or the shame of staying behind.

They were fed what proved to be two stupendous lies: that the "Big Push" would end the stalemate of trench warfare, and that the preceding artillery bombardment of the German lines would make their task literally a walkover.



Shaded area shows ground covered, July-Nov 1916

For a week beforehand a line of British guns standing wheel to wheel for 18 miles pounded the German trenches with 1.5 million shells, to soften up the enemy and break up his barbed wire. They did neither.

And then, at dawn on a bright, hot summer morning, the tommies went over the top, each man encumbered by 60 pounds of equipment and the fatal order to walk, not charge. They found the barbed wire more or less intact, and the German machine gunners alert, ready, and well entrenched.

A hundred and fifty thousand infantrymen were thrown at the enemy on the first day; by dusk 22,500 of them were dead and a further 35,000 wounded.

They were cut down, said the eyewitnesses, like ripe corn in a field, and they died, said Wilfred Owen, with no mourning save the demented choirs of wailing shells.

By the time the Battle of the Somme was deemed to have ended in November 1916, a quarter of a million men of Kitchener's army lay dead, and another 500,000 had been wounded; there was hardly a street in Britain that did not have a house with its blinds drawn.

German casualties were also

THE ROYAL WEDDING BALL AN EVENING OF JAZZ, BLUES & CABARET

in the
Waldorf Hotel, Aldwych
London, WC2

23rd July, 1986

Tickets available in advance only from:
SIDY TICKETS, 14 Endell St, London WC2
Credit Card Hotline: 01-240 9821
Dining - £35.00 Single £80.00 Double
Non-Dining £15.00 Each

MOSS BROS THE COMPLETE MENSWEAR

SALE

Including suits at half the original price.

STARTS 9am THURSDAY JULY 3rd
(Covent Garden branch open till 7.00pm Thursdays)

MOSS BROS

21/26 Bedford Street, WC2 Telephone: 01-240 4567
21 Lime Street, EC3 and branches.

PC shot
at 9 inch

Concern
over food
label laws

New houses

PARLIAMENT JUNE 30 1986

Defence debate • DHSS defeat • EEC protests

Minesweeper tenders sought

DEFENCE

The Ministry of Defence is to issue a preliminary inquiry this week to shipbuilders who wish to be invited to tender to build four more fleet minesweepers. Orders for the new vessels are likely to be placed next year, Mr George Younger, Secretary of State for Defence, said in the Commons, opening the two-day debate on defence.

A contract is also about to be placed for the full-width attack mine fuse to increase effectiveness of barrier mines.

Mr Younger also said that an announcement would be made before the summer recess about tenders for follow-on Type 23 frigates.

He declared that the Government's ending of its commitment to real increases in defence spending did not mean that the achievements of the past seven years were over.

But plans were being altered. The Government was perfectly prepared to face the difficult decisions. It was now time to capitalise on the gains that had been made.

Moving a Government motion seeking approval of the 1986 defence estimates, Mr Younger stated that programmes to update and re-equip the Armed Forces would continue.

It would be quite absurd, though, to exaggerate the difficult decisions which the Government would have to face and to draw conclusions of doom and gloom.

No such conclusion (he said) has any realistic justification. Those who say that the budget must keep for ever going up and up if we are to have adequate defences, are both wrong and unrealistic.

The budget was up by 20 per cent in real terms on what it had been in 1979. Within that, equipment had risen from 40 per cent to 45 per cent.

Competition in the procurement of equipment is not the end of our efficiency drive (he went on). We are continuing to transfer resources from the tail to the teeth, for example, about two-thirds of our manpower is now in the front-line.

And I trust it will not have escaped the notice of those who like to lambast the Government with the supposed burden of Trident (he added) that notwithstanding misleading newspaper headlines — the cost of that programme substantially decreased in real terms.

There was no question of having to withdraw from any major commitment, or any major part of a commitment.

One of his difficult decisions was about order dates. For the Navy, the Government would not proceed with plans to retrofit new towed array sonars to Type 23 frigates. They would continue with existing towed radars.

In the Army, the Government would not go ahead with Law Mine. Also, they were reducing provision for future mine systems.

In the Air Force, some changes were likely to the timescale and production quantities for some weapons systems. The size of the second batch of Harrier GR5s — for which a quantity of long lead

items had recently been ordered — was under consideration. Despite this, there was no question of wholesale deferrals. We shall take decisions, in the normal way, as they come up (he continued).

In addition to the formation of a twelfth armoured regiment in BAOR announced last year, the introduction of the Warrior armoured personnel carrier would permit further strengthening of the capability of 1 (BR) Corps by remechanization of 6 Brigade starting in 1988.

Progress was being made on negotiations for follow-on Type 23 frigates, and he would make an announcement as soon as he could, certainly before the summer recess.

He reaffirmed that they would be maintaining about 50 escorts in the destroyer-frigate fleet. The shipbuilding programme was the biggest in recent years.

The result of all our efforts (he said) will be a realistic programme which will allow us to maintain our present all-round contribution to Nato.

Among our Nato allies only the United States maintains a greater range of commitments. HMS Illustrious damaged by fire earlier this year, would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Britain was the first country outside the United States to have received substantial contracts for research under the strategic defence initiative. He went on to say that the group would rejoin the task group currently circumnavigating the world and taking part in a series of exercises with friends and allies.

On the final leg of the deployment, the group would take part in an important exercise in Oman which would demonstrate Britain's ability to respond rapidly to a crisis anywhere in the world by strategic air deployment.

Government's plans to buy Trident, were leading to damaging cuts in Britain's conventional defence capabilities and in Britain's defence industrial base.

The UK's security and defence, it said, should be served by strong conventional forces within Nato. It wanted removal of all nuclear weapons from the UK.

Mr Davies said the Secretary of State had tried to paint a rosy picture of defence expenditure but it was clear that from now on that it would fall. The Government needed to order at least three Type 23 frigates a year. And unless the Government speeded up its ordering drastically, sailors would be going to sea in the 1990s with the technology of the fifties and sixties.

The cost of maintaining an ageing Navy would be an extra burden on the defence budget and the prospects for the warship building yards would be grim.

Britain would soon be without the capacity to build her own warships. Almost £5 billion of the cost of Trident would not be spent in Britain at all but in the defence industries of the United States.

Mr John Lee, Under Secretary of State for Defence Procurement, intervened to ask if Mr Davies would give an assurance to the naval warship yards that their jobs would be safeguarded under a naval programme negotiated by an incoming Labour government.

Mr Davies said he could give that assurance. Labour would switch the money planned for Trident. The jobs would be preserved because Labour would be able to preserve the naval ordering programme that this Government would not be able to preserve.

And if all US nuclear bases were removed from Britain, too, the US response would be a greater likelihood of reduction of their contribution to the defence of Europe. Nato forces would be weakened in the face of an ever-strengthening threat.

This policy (he said) may be helpful in patching up the deep divisions in the Labour Party but simply will not do much for a party which, presumably, aspires to become a government.

Mr Dennis Davies, chief Opposition spokesman on defence and disarmament, moved an Opposition amendment which believed that the plans in the estimates, in particular the

burden on the defence budget and the prospects for the warship building yards would be grim.

Britain would soon be without the capacity to build her own warships. Almost £5 billion of the cost of Trident would not be spent in Britain at all but in the defence industries of the United States.

Mr John Lee, Under Secretary of State for Defence Procurement, intervened to ask if Mr Davies would give an assurance to the naval warship yards that their jobs would be safeguarded under a naval programme negotiated by an incoming Labour government.

Mr Davies said he could give that assurance. Labour would switch the money planned for Trident. The jobs would be preserved because Labour would be able to preserve the naval ordering programme that this Government would not be able to preserve.

And if all US nuclear bases were removed from Britain, too, the US response would be a greater likelihood of reduction of their contribution to the defence of Europe. Nato forces would be weakened in the face of an ever-strengthening threat.

This policy (he said) may be helpful in patching up the deep divisions in the Labour Party but simply will not do much for a party which, presumably, aspires to become a government.

Mr Dennis Davies, chief Opposition spokesman on defence and disarmament, moved an Opposition amendment which believed that the plans in the estimates, in particular the

burden on the defence budget and the prospects for the warship building yards would be grim.

Britain would soon be without the capacity to build her own warships. Almost £5 billion of the cost of Trident would not be spent in Britain at all but in the defence industries of the United States.

Mr John Lee, Under Secretary of State for Defence Procurement, intervened to ask if Mr Davies would give an assurance to the naval warship yards that their jobs would be safeguarded under a naval programme negotiated by an incoming Labour government.

Mr Davies said he could give that assurance. Labour would switch the money planned for Trident. The jobs would be preserved because Labour would be able to preserve the naval ordering programme that this Government would not be able to preserve.

And if all US nuclear bases were removed from Britain, too, the US response would be a greater likelihood of reduction of their contribution to the defence of Europe. Nato forces would be weakened in the face of an ever-strengthening threat.

This policy (he said) may be helpful in patching up the deep divisions in the Labour Party but simply will not do much for a party which, presumably, aspires to become a government.

Mr Dennis Davies, chief Opposition spokesman on defence and disarmament, moved an Opposition amendment which believed that the plans in the estimates, in particular the

burden on the defence budget and the prospects for the warship building yards would be grim.

Britain would soon be without the capacity to build her own warships. Almost £5 billion of the cost of Trident would not be spent in Britain at all but in the defence industries of the United States.

Mr John Lee, Under Secretary of State for Defence Procurement, intervened to ask if Mr Davies would give an assurance to the naval warship yards that their jobs would be safeguarded under a naval programme negotiated by an incoming Labour government.

Mr Davies said he could give that assurance. Labour would switch the money planned for Trident. The jobs would be preserved because Labour would be able to preserve the naval ordering programme that this Government would not be able to preserve.

And if all US nuclear bases were removed from Britain, too, the US response would be a greater likelihood of reduction of their contribution to the defence of Europe. Nato forces would be weakened in the face of an ever-strengthening threat.

This policy (he said) may be helpful in patching up the deep divisions in the Labour Party but simply will not do much for a party which, presumably, aspires to become a government.

Mr Dennis Davies, chief Opposition spokesman on defence and disarmament, moved an Opposition amendment which believed that the plans in the estimates, in particular the

burden on the defence budget and the prospects for the warship building yards would be grim.

The issue really was whether it made economic, military and political sense for Britain, with all the changes that had occurred in its society and place in the world and the world itself since the end of the last war, to acquire a third generation of nuclear weapons.

We have tried to put forward a comprehensive, clear defence policy, that we make a substantial conventional contribution to Nato, spend money that would be wasted on Trident on our conventional defences.

Sir Humphrey Atkins (Spelthorne, C), chairman of the Select Committee on Defence, said it was more urgent now than it was a year ago that the Government should address its collective mind to what to do about the decline in the Merchant Navy. The first thing needed was a statement of Government policy for which his committee called last year, including numbers of ships.

Dr David Owen, Leader of the SDP, said the Labour Party's position of wanting to ask the United States to leave their nuclear bases in Britain undermined, went to the very core and existence, philosophy and military doctrine of the Nato alliance.

It would arouse deep passions, great concern, and considerable political argument because it bore upon the very existence of Nato. The UK could not assume in perpetuity that Senators and Congressmen would be able to go on persuading their people to fund 300,000 United States forces on the mainland of Europe.

That element of US forces was the real nuclear guarantee — far more effective than US missiles, which were nowhere near as important.

There seemed now to be a growing acceptance that the European pillar in Nato had to be strengthened.

There was a widespread feeling of urgency, and considerable discussion, in Europe that it must face up to its own defence responsibilities.

It was wrong to believe that Trident was the natural follow-on to Polaris. Rather, Trident represented a substantial increase in nuclear capability over and above Polaris.

Could Britain afford it? Did it make sense in arms control terms?

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Trident meant that Britain would be going from a position of minimum deterrence to something that would be an 80 per cent increase in numbers of warheads — from 64, to 512.

Another defeat on benefits proposal

SOCIAL SECURITY

The Government suffered its third defeat in the House of Lords on the Social Security Bill when an amendment, reversing a proposal to abolish the right of an independent appeal against social fund payments, was carried by 131 votes to 115 — a majority against the Government, 16, during the resumed committee stage.

Lord Wigoder (L), moving the amendment said it would provide the framework within which future single or exceptional payments should be made out of the social fund. These payments covered such items as maternity and funeral expenses, essential clothing, furniture, fuel and even help with fares to see a sick child in hospital.

This structured framework was the only way of providing consistency and as a matter of constitutional principle it was right that the regulations should be passed and approved by Parliament and not simply arise on the directions of a minister.

Most important, though, was that there should be a right of appeal to an independent body for the aggrieved citizen. At present appeals went before the Social Security Appeal Tribunals.

The Government had accepted during the debate in the Commons that there had to be a right of appeal but this had been put in the hands of an officer of the DHSS appointed by the secretary of state, in this case a regional officer. That was, he said, a totally inadequate substitute for the existing system.

Lord Elwyn-Jones, a former Labour Lord Chancellor, said that there was a constitutional change in a highly sensitive field. The need for the appeal was greater than it had ever been. What was proposed was retrograde, and a straightforward denial of a well-established civil right.

Lady Trumpington, Under Secretary of State for Health and Social Security, said the amendment would be a mixture of a social fund governed by regulation. That was not acceptable to the Government. Those now defending the system had in the past criticized it for its complexity and inflexibility.

Decisions would not be taken in a vacuum nor on a basis of secret instructions from the secretary of state. Directions would be issued for guidance which would be published and officers would make their decisions within the scope of these directions.

The officers reviewing these decisions would be independent from those who made them originally and they would be treated dispassionately.

The social fund is not like other benefits (she said) nor will it be administered in the same way. It would not be right for it to take over an appeal system for other needs just because it is familiar nor to set up an independent system which is different and free only from the present system.

Mr Robinson said he was aware of Castlebeg investment causing problems in Mr Davies's constituency. They were doing so in his as well.

£5m more for Welsh county councils

Local councils in Wales that had acted responsibly over their spending were disgusted by the arbitrary way that the Government had treated them, Mr Roy Hughes, an Opposition spokesman on Wales, said.

Parliament today

Commons (2.30): Conclusion of debate on defence.

Lords (2.30): Gas Bill report, first day.

Tebbit says Labour MPs like his law

There were Opposition MPs, including front bench spokesmen, who far from hating Tebbit's Law, were beginning to think it was a very popular thing and they had better not threaten to repeal it, Mr Norman Tebbit, Chancellor of the Duchy of Lancaster, said in Commons question time exchanges.

They were begun by Mr David Winnick (Walsall North, Lab) who said: There is a certain amount of sympathy for him on this side of the House because of the way in which so many of his Cabinet colleagues are rubbishing him and even spreading the word that the Prime Minister now regrets appointing him Chairman of the Conservative Party.

Does not Mr Tebbit's rude, aggressive and abrasive style sum up so well this Government? Why are his Cabinet colleagues so highly critical of him? (A Conservative MP: "We are not").

Mr Tebbit: In so far as anything Mr Winnick said is relevant today, or even anything he ever said here was relevant, he is as ever talking rubbish.

Mr John Stokes (Halesowen and Stourbridge, C): Will he take comfort from the fact that we at least on this side are very happy that he is Chancellor of the Duchy and will not lose any sleep about it at all?

Mr Tebbit said later he was always surprised to read in the press remarks he was supposed to have made or what other people had said about him.

The Government (he went on) will continue with its policies which are designed above all to restore the position of the regions of this country just as much as we have restored competitiveness to many other parts of British industry.

Wella Balsam No Wait Conditioner 200ml 95p

Wella Stylist Mousse 2x125ml £1.99

Silkience Conditioner 2x200ml £1.69

Silkience Hairspray 2x180ml £1.75

Timotei Shampoo 200ml 69p

Cream Silk Conditioner 200ml 85p

Timotei Conditioner 200ml 88p

Freestyle Mousse 200ml £1.89

Elnett Hairspray 200ml £1.59

Threat to Welsh coal industry from North America

MINING

Imports of coal from North America had more effect on demand for South Wales coal than did imports from South Africa, Mr Nicholas Edwards, Secretary of State for Wales, said during question time. During the question there was a sharp exchange between a Labour and a Conservative MP about investment links with South Africa.

Mr Edwards opened the exchanges when he said that he had recently met the chairman-designate of British Coal, formerly the NCB, (Sir Robert Haslam) last week and had had a useful discussion with him about a wide range of matters affecting the Welsh coal industry.

Mr Barry Jones (Alyn and Deeside, Lab): The new deal between the CEBG and British Coal foresees a loss of 1,500 jobs in the South Wales coalfield. The South Wales workforce between March 1983 and March next year will have been halved even though, in the past year, productivity has increased by 61 per cent. Would he now sanction the new Margam mine?

When will the budget of NCB Enterprises be expanded in the certain knowledge that new job losses will wipe out any gain made by NCB Enterprises?

Mr Edwards: The agreement between the CEBG and British Coal enables lower energy costs to be passed on to industry generally. It does increase the pressure on the coal industry and they will have to increase productivity levels but they are not at present in the South Wales coalfield.

The chairman-designate and I discussed Margam. The NCB is considering that issue but they have yet to put a formal proposition to the Government. We shall consider it when they do.

Some £20 million is available to NCB Enterprises at present and we have made clear that the organization will receive the

finance it requires to do the job it has undertaken.

Mr Ray Powell (Ogmore, Lab): Today the last pit in the Rhondda will be closed and in Ogmore over the past few months, every colliery has been closed. That means five collieries with 5,000 men put out of work, while 27 pits have been closed with 47,000 jobs lost in the mining industry since the end of the miners' strike while 30,000 tonnes of coal is imported every month from South Africa.

Is Mr Edwards one of the 50 members of the Tory Party who has direct or indirect financial links with the South African apartheid regime? Perhaps he will ask Mr Keith Raffan whether he has? (Conservative protest).

Mr Edwards: I certainly have not. The Rhondda closure emphasizes the historic nature of the process under various governments for a very long time.

I raised the question of South African coal at that meeting. It is entering the EEC in some quantities and coming indirectly to this country but it has no effect on South Wales because it is not of the same quality as the South Wales coal.

Mr Keith Raffan (Delyn, C): I am in some sympathy with Mr Powell. I have absolutely no financial interest in South Africa. I am former member of the executive of the Anti-Apartheid Movement. I am totally opposed to the present South African Government, and we should look after the interests of our own coal mines.

Fears of neo-Nazi link with extreme left as group leader is jailed

From Frank Johnson, Bonn

West Germany's longest recent trial of a neo-Nazi ended after 22 months yesterday when Karl-Heinz Hoffmann, aged 48, was found not guilty of ordering the murder of a Jewish publisher and his wife, but was jailed for 9½ years for other offences.

The trial took place in the same courtroom as the great Nuremberg trials of the major war criminals in 1945-46. Hoffmann was accused of having ordered a member of his organization, the "Army Group Hoffmann", to murder Mr Shlomo Levin and his wife Frieda at Erlangen, near Nuremberg.

The group member, Uwe Behrendt, carried out the murder and is believed to have committed suicide in Lebanon 10 months later in the Bir Hassan Palestinian refugee camp, where he was involved in training guerrillas as one of the links between West German neo-Nazism and the Palestinians. But the prosecution was not able to establish to the court's satisfaction that Hoffmann gave the order, after he denied doing so.

In a complicated indictment involving many offences, Hoffmann admitted

forging US dollars to help build an arms factory in Lebanon. He was found guilty of grievous bodily harm, illegal possession of arms and the illegal detention of a member of his group, all of which he denied.

Hoffmann's companion, Franziska Birkmann, was sentenced to six months' imprisonment for failing to report a planned crime — the illegal detention.

Despite the seriousness of this case, it comes at a time when the number of neo-Nazis in West Germany seems to be falling.

A recent annual report on extremism by the Organization for the Protection of the Constitution said there were about 23,500 people in the country who could be described as right-wing extremists, of whom only 1,400 could be called neo-Nazis. Only about 220 of the neo-Nazis could be described as militant. During 1985, the number of neo-Nazis fell from 34 to 29, and it was thought that the number of actual members had fallen also.

But the report indicated a recent change in the ideology of neo-Nazism. "The idol of German neo-Nazis was until a

few years ago still undeviatingly Adolf Hitler," the report says. "But after the two right-wing terrorists, Oddfried Hepp and Walther Kessel, in the summer of 1982, published their pamphlet *Farewell to Hitlerism*, the number of voices accusing Hitler of betraying National Socialism by making it bourgeois and pro-capitalist has grown."

These latest neo-Nazis describe themselves as national revolutionaries, social revolutionaries, left-wing nationalists or right-wing socialists, says the report. They have adopted as their new heroes the brothers Gregor and Otto Strasser and Ernst Röhm — the so-called radical Nazis. Hitler had Gregor Strasser and Röhm murdered during the "Night of the Long Knives" in 1934. Otto Strasser had already been expelled from the party and had left Germany for Canada. He returned in 1955 and died in Munich in 1974.

This ideological change in neo-Nazism is causing some concern to the West German police, because it could make neo-Nazis ready to co-operate with left-wing extremists. Both share views on US "imperialism" and Israel.



Karl Heinz Hoffmann, jailed for 9½ years by a court in Nuremberg for a number of offences, though he was cleared of ordering the murder of a Jewish publisher.

Tamils killed in clash off coast

Colombo (AP) — A time bomb believed to have been planted by Tamil rebels killed four civilians and wounded 19 others in northern Sri Lanka yesterday, and the Navy was reported to have killed 33 Tamil fighters in an encounter off the coast.

The bomb, hidden under a road bridge, exploded near the city of Vavuniya, the military reported. It had been set to go off at rush hour.

Naval sources said the 33 Tamil fighters had been trying to infiltrate Sri Lanka from southern India across the narrow Palk Strait between the two countries.

Their boat was intercepted by a naval ship off shore from the city of Talaimannar, and was sunk when the Tamils opened fire. A Tamil who jumped overboard was taken into custody.

Tamils often travel by boat across the 22-mile strait. Some are civilian refugees; others are fighters that Sri Lanka alleges are trained at guerrilla bases in southern India. India denies this.

● Rights commission: President Jayewardene approved the establishment of a commission to monitor complaints of discrimination and violations of fundamental rights.

The Sri Lanka Foundation, a semi-government agency involved in human rights education, said the 10-member commission would be appointed by the President in consultation with the Chief Justice.

Official sources said the decision was linked to demands by minority Tamils for equal opportunities in areas such as education, land settlement, and law and order.

The foundation's chairman, Mr Harry Jayewardene, the President's brother, said the commission hoped to eliminate racial, religious, language, caste, sex and political discrimination and would monitor observance of fundamental rights.

It would inquire into complaints and settle them through conferences, mediation and conciliation.

Bureaucrats seize the steering wheel

Britain today takes over from the Netherlands as president of the EEC Council of Ministers. In the second of three articles, Richard Owen reports from Brussels on the nature of the European Commission, the bureaucracy with which the council must deal.

Every weekday at noon a ritual takes place at the Berlaymont, the vast, oddly shaped glass headquarters of the European Commission in Brussels. A team of spokesmen — and one spokeswoman — appears in the press room to provide information on the Commission's activities, publications and reactions to events.

It is a replica of the kind of government briefings given by the State Department in Washington and, increasingly, by the Foreign Ministry in Moscow.

But the Commission is not a government: it is a civil service. The 17 commissioners — two each from Britain, West Germany, France, Italy and Spain, and one each from Portugal, The Netherlands, Belgium, Ireland, Denmark, Luxembourg and Greece — are appointed by national governments, not elected.

A broad rule of thumb is that the Commission proposes and the Council of Ministers, made up of ministers from the Twelve, disposes. A Commission proposal becomes law throughout the EEC only when the Council has approved it — often a lengthy process. Below the 17 commissioners comes a huge bureaucracy.

The Commission, in other words, is only the EEC's administrative arm — in theory. But the sheer weight of the Commission and the fact

being supposed to denote commercial policy as opposed to foreign policy.

EEC governments argue that the EEC cannot have a "foreign policy", since it is not a country. But it can have an agreed common position by the process known as "political co-operation", which is the prerogative of EEC foreign ministers.

Mr de Clercq and M Claude Cheysson, the Commissioner for North-South Relations (and a former French Foreign Minister), tend increasingly to act on behalf of the EEC on the world stage. What worries those who oppose this trend is that under the reforms of the Single European Act — which will be finally ratified during the British presidency — the overlap between the powers of the Commission and those of the Council has increased.

And the growing role of the Commission comes at a time when, because of EEC enlargement, the balance between North and South has shifted, with the richer northern nations — including Britain — losing their dominance over the poorer southern nations, who are keen to use EEC membership to gain access to European regional and structural funds.

Tomorrow: Chairing councils

made up of ministers from the Twelve, disposes. A Commission proposal becomes law throughout the EEC only when the Council has approved it — often a lengthy process. Below the 17 commissioners comes a huge bureaucracy.

The Commission, in other words, is only the EEC's administrative arm — in theory. But the sheer weight of the Commission and the fact

being supposed to denote commercial policy as opposed to foreign policy.

EEC governments argue that the EEC cannot have a "foreign policy", since it is not a country. But it can have an agreed common position by the process known as "political co-operation", which is the prerogative of EEC foreign ministers.

Mr de Clercq and M Claude Cheysson, the Commissioner for North-South Relations (and a former French Foreign Minister), tend increasingly to act on behalf of the EEC on the world stage. What worries those who oppose this trend is that under the reforms of the Single European Act — which will be finally ratified during the British presidency — the overlap between the powers of the Commission and those of the Council has increased.

And the growing role of the Commission comes at a time when, because of EEC enlargement, the balance between North and South has shifted, with the richer northern nations — including Britain — losing their dominance over the poorer southern nations, who are keen to use EEC membership to gain access to European regional and structural funds.

Tomorrow: Chairing councils

Aquino takes over bank

Manila (Reuters) — The second biggest bank in the Philippines was brought under government control yesterday as the Commission on Good Government seized 95 per cent of its stock and elected new directors.

The shares in the United Coconut Planters' Bank were seized on suspicion that they were controlled by the former President, Mr Ferdinand Marcos, or his associates, or had been bought improperly with public funds.

The Defence Minister, Mr Juan Ponce Enrile, who was the bank's chairman, said he had declined President Corason Aquino's invitation to keep the post so that the commission could investigate allegations of mismanagement and irregularities.

His departure from the bank after 11 years as chairman appeared to open a potentially new area of conflict with President Aquino. Relations between the President and the Defence Minister, who led the military revolt last February that installed her in power, are already reported to be uneasy over the Mrs Aquino's handling of the communist insurgency in the Philippines.

The bank's president, Mr Danilo Ursua, resigned after the meeting. The commission had alleged earlier that he held shares on behalf of Mr Marcos.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Rights commission: President Jayewardene approved the establishment of a commission to monitor complaints of discrimination and violations of fundamental rights.

The Sri Lanka Foundation, a semi-government agency involved in human rights education, said the 10-member commission would be appointed by the President in consultation with the Chief Justice.

Official sources said the decision was linked to demands by minority Tamils for equal opportunities in areas such as education, land settlement, and law and order.

The foundation's chairman, Mr Harry Jayewardene, the President's brother, said the commission hoped to eliminate racial, religious, language, caste, sex and political discrimination and would monitor observance of fundamental rights.

It would inquire into complaints and settle them through conferences, mediation and conciliation.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

● Detainees honoured: President Aquino has appointed a former detainee, who was sentenced to death by a military court, as a governor of the state-owned Development Bank of the Philippines.

Mr Eduardo Olague, released from military prison when Mrs Aquino became President, was condemned to death for his alleged involvement in a series of bombings in Manila six years ago.

Mr Olague, held in military prison since 1980, was linked to the Light-A-Fire Movement, which was believed to have been responsible for a series of bombings of government buildings during the Marcos administration.

Yen keeps voters happy in Japan

From David Watts, Tokyo

In the middle of hectic election campaigning, a worker for Mr Chikara Higashi slipped away from a rally in Arita, envelope in hand.

In the envelope was a contribution to a bereaved family. The money may be anything between 3,000 yen (£12) and 50,000 yen (£195), depending on the relationship between the politician and the family, but it typifies the sort of expense that a Japanese politician faces. Weddings, funerals, traditional summer and winter gifts: the politician must make an endless series of such contributions.

There is a supporters' association to be kept happy, not merely when it is time to get the vote out, its membership can run into thousands.

The traditional two-way relationship between candidate and voter goes a long way to explain the enormous expense of Japanese elections. There have been several pieces of legislation to try to limit campaign expenditures and end the inevitable corruption.

The polls are largely state-financed: campaign literature is paid for out of public funds. Posters are classified as campaign literature, so are the display boards to be seen all over each constituency. The distribution of election bulletins, the size of a newspaper sheet, a limited number of newspaper advertisements and radio and television speeches are all paid for by the taxpayer.

In this election such costs are budgeted at 57 billion yen to cover the contests for both Houses of Parliament, and that includes 430 million yen for checking election law violations. With 512 seats being contested in the House of Representatives and 126, or one half of the seats, being contested in the House of Councillors, the cost to the state of electing an individual member is 90 million yen.

In addition, the parties provide their candidates with campaign funds according to each party's resources. The ruling Liberal Democratic

Party gave 5 million yen to each of the 317 candidates it is backing. Cabinet ministers get an extra 5 million yen. Each faction gives its campaigning members anything from another five million yen to 20 million yen.

Though Mr Higashi and the four other candidates running in the Number 2 Wakayama district are legally limited in the amount they may spend in the constituency's 36 cities, towns and villages, it is a provision honoured more in the breach, there and throughout Japan.

Local people estimate that each candidate in Wakayama will spend in each provincial population centre what the law allows him to spend in total across the whole constituency. Total expenditure for the five candidates could be about 720 million yen.

It is not hard to see why the opposition parties complain of "money politics" — or what gave rise to the saying "five you win and three you lose", meaning that 500 million yen spent should buy victory, but 300 million yen may not be enough.

So far in this campaign little has been heard of what sort of goodies Liberal Democrat candidates are offering their constituents. With the Prime Minister attempting to cut the cost of government, it would not be wise to talk about them too publicly, but some new shinkansen (bullet train) lines are a favourite. The former Prime Minister, Mr Kakuei Tanaka, made good one of his promises in building a bullet train line from Tokyo to his Japan Sea coast constituency.

Opposition parties cannot offer such fancy inducements, lacking the connections in the ruling party's bureaucracy. Their incomes are none the less impressive. Last year the Communist Party declared income of 38.2 billion yen, the Liberal Democrats 25.5 billion yen, and the Socialists 11.8 billion yen, but it is a safe bet the true Liberal Democrat figure was considerably larger than that.

Court expected to hear dead woman's case

South Toms River, New Jersey (Reuters) — A terminally ill woman, fighting in court for her right to have a life-supporting respirator turned off, died yesterday, two days before the state Supreme Court was due to hear her case, officials said.

Kathleen Farrell, aged 37, mother of two teenage boys, had amyotrophic lateral sclerosis, or Lou Gehrig's disease. A lawyer in the case said she had been ill for about four years. She was almost completely paralysed, and was being cared for at her South Toms River home and was on a respirator.

Last week a judge approved her request that the life support system be turned off, but court-appointed lawyers for her sons appealed and the order was stayed.

One of the lawyers, Mr Peter Strohm, said the state Supreme Court, in a highly unusual move, decided to consider the case within a few days, without awaiting an appeal court decision.

Mr Strohm told Reuters yesterday that he expected the court to consider the case as scheduled today, despite Mrs Farrell's death.

In court last week, Mrs Farrell's husband, Francis, said she had asked him to help her die.

Quick deal expected for Macao

Peking (Reuters) — China yesterday began talks with Portugal on the future of Macao, the tiny capitalist territory run by Lisbon for more than 400 years.

Mr Zhou Nan, the chief Chinese negotiator, told Senhor Rui Medina, his Portuguese counterpart, that both nations would benefit from the two-day talks on Macao, a gambling centre and textile producer with 500,000 people across the Pearl River from Hong Kong.

Lisbon has for some time recognized Chinese sovereignty and tried to return Macao in 1967 and in 1974. Peking turned down both offers, but finally agreed following the agreement with Britain for the return of Hong Kong in 1997.

There are few indications when China will take back the oldest European settlement in Asia, coded to Portugal 429 years ago, but government sources in Macao said they thought an agreement could be reached by the end of the year.

The talks are not expected to resolve substantive issues, such as the future political and legal systems of Macao.

Analysts said China and Portugal would have to set a timetable for the transfer of political power, now in the hands of the Portuguese Civil Service and a Lisbon-appointed governor.

Peking has said repeatedly it wants Macao's future to reflect that of Hong Kong, which will become a special administrative region guaranteed broad autonomy under a "one country, two systems" concept aimed at integrating it as part of Communist China while permitting it to continue as a capitalist trade centre and free port.

Several of the prisoners are in their seventies, and are reported to be suffering from illnesses such as diabetes and cardio-pulmonary conditions, much aggravated by the severe prison regime to which they are subjected.

Food is apparently inadequate, temperatures inside prisons are allowed to drop to well below zero, and work is obligatory. Tuberculosis cases have been sent to work in the foundry, in smoke and dust.

All 12 are men held for their political views. Charges range from spreading "hostile propaganda", "establishing contacts with hostile organizations abroad" and "dam-

Complaint to Romania on missing UN man

From Alan McGregor, Geneva

Señor Pérez de Cuéllar, the UN Secretary General, said yesterday he has made a further representation to the Romanian Government about Mr Livio Bota, the Romanian who has been head of the UN Institute for Disarmament Research since 1980. Mr Bota has not returned from a visit to Bucharest last December.

"This case is extremely important for me. My duty is to defend our staff members. I met Mr Bota yesterday and discussed with her how I can help in solving this problem," Mr Pérez de Cuéllar said.

"I am still hopeful the Romanian Government will understand it is their obligation to release Mr Bota and let him come to New York or Geneva to present his resignation."

By entrusting him with mediation of the Rainbow Warrior affair, France and New Zealand had "shown faith in the UN". Señor Pérez de Cuéllar said he could do the same on other issues if countries "accepted that negotiation means compromise — but so often there is only intransigence and inflexibility."

On Afghanistan, he said the UN "must not be used to extend negotiations indefinitely. The parties must at last face up to their responsibilities, they must manifest the political will for a solution," he said, referring to the eighth round of talks between Afghan and Pakistani foreign ministers, scheduled to begin on July 30.

Kidnap claim by Afghan

From Hasan Akhtar, Islamabad

The Afghan Vice-Consul in Karachi has accused the CIA of kidnapping last Wednesday the Afghan Consul, Mr Baz Muhammad Rahyab, his wife, and their daughter, aged three months. Earlier press reports said that Mr Rahyab, who had been recalled to Kabul, had defected.

On the basis of the allegation, Karachi police have registered a case of kidnapping and launched an investigation. The Pakistan Foreign Ministry has not made any comment.

According to Karachi press reports, the Vice-Consul, Mr Ghulam Hassan, told journalists on Sunday that Mr Rahyab and his family were taken forcibly from the office of the Belgian trade commissioner by a man said to be the US Vice-Consul in Karachi, and detained at the US Consulate. Mr Hassan rejected the report that Mr Rahyab had sought asylum or defected.

No American official was available for comment. Mr Hassan said Mr Rahyab, posted to Pakistan about a year ago, was a staunch supporter of the Afghan revolution.

● LAHORE: Six Sikhs of Canadian nationality were granted bail by a magistrate here yesterday, pending their trial on charges of assaulting Indian diplomats.

The Sikhs had been visiting a shrine in Lahore earlier this month when they allegedly attacked several Indian diplomats who were at the shrine to assist Indian Sikh pilgrims.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Dr Novakovic (above), who stayed in touch with exiles, and Dr Zografski (below), who criticized the economy.

Moscow expels diplomat

From Christopher Walker, Moscow

The Soviet Union yesterday ordered the expulsion of a Portuguese Embassy official, allegedly for pursuing activities incompatible with his status.

The move was seen as direct retaliation for Portugal's decision last week to expel two Soviet Embassy officials from Lisbon for alleged acts against national security and interfering with Portuguese internal affairs.

In an official protest to the Portuguese Embassy here, Soviet authorities said the two officials had been "grossly accused of unlawful activity." The expulsion of the Portuguese official follows other recent examples of swift and sharp Soviet retaliation against countries which have expelled Soviet citizens.

● LISBON: A Portuguese Foreign Ministry spokesman named the expelled official as Senhor Artur Martins, head of chancellery at the embassy (Reuters reports). He was given three days to leave the Soviet Union.

The spokesman said the Portuguese Ambassador to the Soviet Union, Senhor Sergio Sacadura Cabral, had protested to the Soviet authorities against what he considered to be retaliation for the expulsion of the two Russians from Portugal a week ago.

The spokesman said Senhor Martins's wife, Teresa, who is also on the staff of the embassy in Moscow, would leave with him, although she was not included in the Soviet expulsion order.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

Kasparov tops world's best chess players

Lucerne (AP) — The International Chess Federation has headed its list of the world's top players, published at the weekend, with world champion Gary Kasparov.

The top 10 men read: Gary Kasparov, USSR, 2,740 points; Anatoly Karpov, USSR, 2,705; Artur Yusupov, USSR, 2,660; Viktor Korchmali, Switzerland, 2,650; Robert Huebner, West Germany, 2,620; Andrei Sokolov, USSR, 2,620; Boris Spassky, France, 2,620; Jan Timman, The Netherlands, 2,620; Nigel Short, Britain, 2,615; and Lajos Portisch, Hungary, 2,605.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Irina Levitina, USSR, 2,350.

The women's list begins: Zsuzsa Polgar, Hungary, 2,455; Maya Chiburdanidze, USSR, 2,435; Pia Cramling, Sweden, 2,400; Nona Gaprindashvili, USSR, 2,350; and Ir

Ribbon clean and pressed.

Teeth well cared for.

Hair neat and tidy.

Clean and well laundered collar.

All buttons sewn on with red cotton.

Badge clean and correctly sewn.

Dress neat and tidy.

Clean hands, nails well manicured.

Clean and well laundered cuffs, correctly sewn.

Point well pressed.

Dress correct length.





50 years on, we still take pride in our appearance.

People have fond memories of the smartly-dressed 'Nippy' of pre-war Britain.

She and the food she served were a huge success.

During the thirties Lyons Teashops and Corner Houses were so popular Lyons grew to be Britain's biggest caterer.

Today J. Lyons continues to prosper serving tea and coffee to the nation.

We now run a vast range of restaurants. As well as catering at leisure, sporting and other events throughout the country.

But times and tastes change.

Some people now prefer a milkshake to the traditional cuppa.

A fancy cocktail to a pint of Best.

Enchiladas to egg and chips.

Or spare-ribs to bangers and mash.

Which is why, in 1984, we opened Calendars, the first cafe-bar-restaurant of its type in Western Europe.

It's been such a big hit it's broken all turnover and profit targets.

And how are we celebrating?

By investing a further £45 million building at least 24 new Calendars around the country.

We can afford it. Our pre-tax profits rose by 23% last year to £269.5 million.

With our catering experience, it's no wonder that we have such attractive figures. **Allied-Lyons**
GOING ON GROWING

In the United States, as in Britain, pressure is growing for more awareness of the plight of schizophrenics, highlighted in the recent *Times* campaign

The inner terrorist, the invented life



The forgotten illness

Last night 100 influential people met in the presence of The Prince of Wales to be told about plans for a major new appeal, SANE - Schizophrenia: A National Emergency. The Schizophrenia Appeal, with Sir Ralph Halpern as chairman and Lady Tryon vice-chairman, came about because of the extraordinary response to articles published in *The Times* seven months ago. They showed that schizophrenia, the "forgotten disease", affected 1 per cent of the population - 17 million people worldwide - and that the failure to care for these sick people had become the international scandal of the 1980s. One of those people is John Hinckley, who five years ago shot and wounded President Reagan. Last week *Marjorie Wallace*, who won the title of Campaigning Journalist of the Year for her articles, talked to his parents about the shock of discovering their son's hidden fantasies, and about their campaign to help the mentally ill.

On March 30, 1981 the telephone rang in the Hinckleys' mountain home in Evergreen, Colorado, not far from Denver. Jack Hinckley, a caring Christian, was at the office preparing for a trip to help the poor in Guatemala. His wife answered the phone. "Mrs Hinckley", said a voice. "This is *The Washington Post*. Do you know that your son John has been identified as the man who shot the President?"

His father thought John needed a kick in the pants

married. Only their younger son, John, gave them any cause for concern.

John was a gentle, aimless fellow who in the seven years since he had left school had been unable to complete any college course or hold down even the most menial job. He was a shy young man who, even in his 20s was approaching 15 stones.

The disappointing pattern of his life continued, with Jack and Jo Ann alternately nagging and consoling him. They would receive calls from cities all over America, saying his money had run out, he had nowhere to live, and needed to be rescued. He would describe in great detail his relationship with his girl friend Lynn Collins, an actress in Los Angeles.

"We tried everything", says Jack. "I thought Jo Ann was too tender. Maybe I was too tough. I would say 'all he needs is a good kick in the pants'".

Anxious, but not unduly alarmed, they sought help from a psychiatrist who originally told them John was spoilt and lazy and depended too much on his home. Three months before the tragedy the family agreed to draw up a plan whereby John would find a job by the end of February and his own apartment by the end of March.

The psychiatrist insisted his calls for help should be ignored. "There I was saying to my son, 'You're on your own'", says Jack "while he was losing his battle against the terrors of insanity. We just didn't know."



(NY55-June 21)--INNOCENT-- John M. Hinckley Jr. was found innocent by reason of insanity Monday when a federal jury ruled he was not criminally responsible for his attempt to assassinate U.S. President Ronald Reagan. (AP Laser-photo)(ysk22010f1s)1982

An American nightmare, a universal concern: John Hinckley (above) whose attempt to kill President Reagan (right) shook the world and stunned Hinckley's parents (top) who "just didn't know" of their son's losing battle against insanity

find work in Los Angeles. She drove him to the airport, pleased that at last the "plan" was working. That was the last time she saw him free.

The next time, he was brought by prison guards. "What do you say the first time you see your son after he has done the unthinkable", recalls Jack Hinckley. "Why did you shoot the President, son?" Instead, "we told him we loved him", he says.

During the next weeks Jack and Jo Ann went through hours of interrogation at the Jefferson Hotel in Wash-

ington. Gradually the bizarre world their younger son had inhabited was revealed. Lynn Collins, the actress he had described so vividly, had never existed.

Everything was a fabrication: the writing courses which he had never taken; the company he discussed so proudly; the close college friends who had barely heard of him; the glittering Christmas spent with film stars and music publishers in New York. In reality he had spent it alone in an unheated room on a deserted campus, paralysed by de-

pression and self-loathing. The FBI showed the Hinckleys a snapshot John had taken of himself with a time-release camera, holding a gun to his head.

But it was the minor details which the bewildered parents found it most difficult to believe. His "friends" had become so real to them. "Do you mean that time when Lynn went shopping while he ate an ice-cream cone?" they asked. The FBI agents shook their heads.

At home there were more chilling surprises. Jack and Jo



Ann opened the cases in his bedroom, filled they believed with old college possessions. Lying on top of a pile of clothes was the empty pistol case and the cut-out target of a man, riddled with holes. And here were the poems, revealing his despair. "Perhaps the Elephant Man would understand my dilemma... it's all a matter of face-to-face communication... the Elephant Man and I would kill for someone to love."

John had also become fascinated by the character of Travis Bickle in the film *Taxi*

Driver. The film became his reality. He collected guns as Bickle did. He stalked political figures as Bickle had done. And he was going to shoot people for the heroine, Jodie Foster's, sake because that's what happened in the film.

It was not until just before John's trial, six months after the investigation began, that Jack and Jo Ann learned he was probably suffering from schizophrenia. "Like everyone else, we thought schizophrenia was like Jekyll and Hyde", says Jack. "Not the loss of self and the deep split with reality which we now realize lay behind his odd behaviour."

"If Jo Ann and I had known the early warning signs of mental illness, there would probably have been no shots fired. President Reagan would not have been shot. White House Press Secretary James Brady would not have suffered permanent brain injury."

John was found not guilty by reason of insanity and placed in the maximum security wing of St Elizabeth's Hospital, Washington DC, one of the most old-fashioned asylums in the United States.

He is now 30, and living in the John Harvard Division, a relatively modern six-storey block, separate from the main buildings. He is in a ward with about 20 other men overlooking the hospital cemetery. As a privilege for good behaviour he is allowed to walk under escort in a restricted part of the grounds. He will stay in the hospital until a court deems him fit to release. "He is treated by people who understand his illness", says Jack Hinckley.

He is on medication and once a fortnight the Hinckleys visit him for an hour's session of family therapy. "It has made a tremendous difference", says Jack. "We've been able to talk about the difficult things. We found it difficult to communicate, but now we have been forced to do so, we are very glad."

The American public was shocked by the not guilty verdict, and the Hinckleys were equally shocked by the lack of sympathy for a sick man. "Two years ago Jo Ann and I decided to start a public awareness campaign. After the tragedy of the trial, we had to see some good come out of it. 'Why don't you speak for the mentally ill?' a lot of people asked us. One fellow wrote to me saying, 'Hinckley, your

name's already mud. You've got nothing more to lose. It was a bitter pill, but it made me think."

The Hinckleys received thousands of supportive letters from others with mental illness in their families. They decided to write a book, *Breaking Points* (published by Berkley Books in May) to help remove the cruel stigma of mental illness. Then they went

The public was shocked by the not guilty verdict

to Washington and founded the American Mental Health Fund. Jack sold his oil company to devote himself to the fund, which will educate the public and provide money for research.

The fund is managed by an eager young man, David George, who was legislative assistant to Senator Jeremiah Denton. Hinckley, George and their associates succeeded in persuading the Advertising Council, a body which makes advertising space available virtually free of charge to a small number of selected charities, to back the fund, which will get about £16 million worth of advertising in 22,000 different media for the expenditure of £230,000.

"A recent Gallup poll showed that 57 per cent of Americans think mental illness is a personal weakness", says George. "We want to change that. We want to make people aware that it exists, and make them believe it is an illness. We aim to raise a dollar for every person affected by mental illness in America. That will make \$30 million for research."

On July 17 the flood gates will open, and for the first time the American media will be full of information on mental illness. "The US is today preoccupied by the fear of terrorism from abroad", says Jack Hinckley. "My concern is with another form of terrorism - the inner terrorism that each year strikes an estimated 100,000 new schizophrenic victims."

(Times Newspapers Ltd, 1986)

Multiple Sclerosis is merciless. It's a disease that can strike anybody, anytime.

And there's no cure.

Yet. Every penny you contribute to the Multiple Sclerosis Society brings the cure that much closer.

It also brings some comfort to the many thousands who suffer the misery of impaired speech, loss of eyesight, in-

continence and paralysis.

The much-publicised events of the past twelve months have demonstrated just how generous people can be when they believe in a cause.

Our cause is very important.

Please give as much as you can.

Because the sooner we find the answer the sooner we can ensure that the lives of those nearest to you are not torn apart.

If charity begins at home, imagine yours being torn apart.



For receipt of donation tick box in coupon.

I enclose a donation to The Multiple Sclerosis Society of £.

NAME

ADDRESS

TAM

MS MULTIPLE SCLEROSIS
We can only find the cure if we find the funds.

To: The Multiple Sclerosis Society, Freepost, 25 Effie Road, LONDON SW6 1TZ. Telephone 01 736 636. Giro Bank No. 5149355.

Mr Efficiency makes his mark

Getting ahead is what counts these days - elbowing your way to the top of the pile, becoming a big cheese by the age of 30 and a top tomato at 40. Everybody is at it; you can tell by the number of books they buy.

Business books are the supreme publishing invention. They have an immense captive market since everybody wants to be more efficiently greedy and to "handle" people more effectively.

Now it is Winston Fletcher's turn, with *The Seven Keys to Super-efficiency*, an 11 Ching for climbers of the greasy pole, a *Kama Sutra* for those who think you go to bed to "allow your mind to meander casually over any knotty problems".

Super-efficiency is a classic of the genre - seven chapters with jaunty titles like "Stop Procrastinating!" or "Ideas, Ideas" and an unending stream of tips running from not lane-hopping when driving to work (it causes stress) to smiling frequently when you are in the process of reducing a subordinate to a heap of paranoid jelly.

Reading it makes you deeply suspicious of talking to anybody. Are they, for example, leaning forward in their seat in a conscious effort at positive body language? Is the man next to you in the traffic jam listening to *Gardeners' Question Time* or is he, as Fletcher suggests, playing some foreign language tape?

The composer of this profoundly lampoonable stuff is, of course, in advertising. This means his Covent Garden office must contain its quota of very small, very intricate low-voltage light fittings and the walls must be dragged, marbled or rag-rolled to give the appropriate grey, dusty bloom. A receptionist - blonde - must sit alone in the first room like a canary down a coal mine.

So far, so good. What should then happen is that Fletcher, a lean, tanned and somewhat stringy individual, should emerge carrying a glass of designer water and wearing something in silk by Armani. But, correct as every other detail may be at the offices of Delaney, Fletcher, Delaney, the man himself is all wrong.

He is a bald, bearded individual whose face, but for the very pronounced double chin, is that of an Old Testament

The latest guide to business success comes from an unconventional ad-man whose down-beat image belies his up-beat career

prophet. The suit is a neutral blue and the general air is oddly shambling. Mr Super-efficiency is, in fact, an amiable, slightly bumbling chap who seems at first to be lurching, rudderless, through life just like the rest of us.

He must have some secrets to impart, though, since his productivity alone suggests a



Wise words: Winston Fletcher

spectacular efficiency. Born to a poor family in north London in 1937, he was named after Churchill. He grew up to become that almost legendary figure - the 1950s scholarship boy.

He made it to Cambridge where he read philosophy, a discipline for which he still retains a certain awe. "For me, Wittgenstein is a demi-god", he says. This is not a common view among advertising agents.

A first novel was rejected by the usual six or seven publishers. Then, after finding his natural home in advertising and becoming a director at 25, he achieved publication with a book called *The Ad Makers*.

In 1974 he founded Fletcher, Shelton, Delaney, which was taken over by Ted Bates in 1980. Fletcher subsequently became chairman of Ted Bates, a job he left a year ago to found Delaney, Fletcher, Delaney. "Fletcher quits Ted Bates for Delaney's", murmured *Campaign* over the usual picture of three unsmiling people. Nobody is ever

actually stunned in the advertising business, but a man leaving the top of one of the world's biggest agencies for a small, new operation did raise a few eyebrows.

"I wanted to get back to making ads again", he says. "I was tired of just running a big organization."

The writing, meanwhile, was rattling along at the rate of 50 or 60 articles a year plus three further books: *Teach Yourself Advertising*, *Meetings, Meetings and Commercial Breaks*. These made him hot property in publishing terms, since he had obviously mastered the knack of writing for the vast popular business market. By last year, however, he was growing a little weary of the idea.

"I wanted to write *The Complete Book of Sleep*. But Sidgwick and Jackson came along and said they wanted another business book and suggested I might know more about business than sleep. So that's what I did."

Fletcher acknowledges that the tone of *Super-efficiency* is a little humourless. "Well, you can't really be funny about efficiency. Everybody wants it and they are not really able to

make a joke about it. It was easy to be funny writing a book about meetings, everybody means about those, but efficiency is much more fundamental."

Even more chillingly, he thinks the whole efficiency ideal is growing in this country. "A few years ago lots of British businessmen would go for two or three-hour lunches and come back sozzled. I realized that most of the people I was talking to in the afternoons were drunk. But there's much less of that now. I think people have realized we have just got to improve our efficiency."

Fletcher lives in London during the week and travels home to his wife and two children in Oxfordshire at the weekends, which he spends writing. *Super-efficiency* is the product of 12 Oxfordshire weekends. On top of that he is advertising adviser to the Social Democratic Party. So the work rate is pretty formidable - even more so when you discover he does all his writing using the supremely inefficient method of longhand.

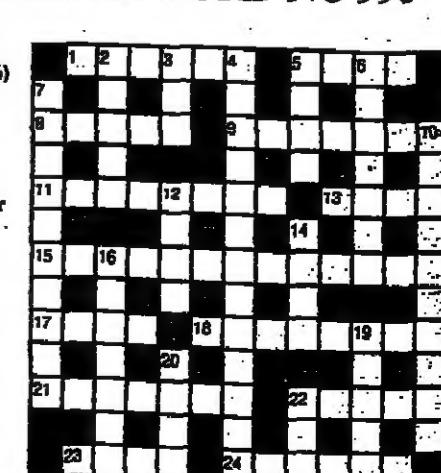
Bryan Appleyard

(Times Newspapers Ltd, 1986)

The Seven Keys to Super-efficiency by Winston Fletcher is published by Sidgwick & Jackson, £9.95.

CONCISE CROSSWORD NO 990

- ACROSS
1 Mental hospital (6)
5 Lose colour (4)
8 Make one (5)
9 Basket-ball type game (7)
11 Make holy (6)
13 Gambler's counter (4)
15 Objective (13)
17 Finger plate (4)
18 Clear throat (8)
21 Turkish Mr (7)
22 Prettily small (5)
23 Not as much (4)
24 Temperament (6)



- DOWN
2 Descendant (5)
3 Nonprofessional (3)
4 Display (13)
5 Display (4)
6 Greek money (7)
7 Cave-in (10)
10 Irish elf (10)
12 Carrying board (4)
14 Sullen (4)
16 Congested breath (7)
19 Very serious (5)
20 Burden (4)
22 Cricket club (3)

SOLUTIONS TO NO 989

ACROSS: 1 Mucus 4 Shimmer 8 Nomen 9 Offence 10 Grumpy 11 Menu 13 Magnanimous 17 Each 18 Creation 21 Insult 22 Eluder 23 Surface 24 Texas
DOWN: 1 Menage 2 Comma 3 Sanguine 4 Shooting range 5 Snorts 19 Index 20 Pica

FASHION by Suzy Menkes

مكنا من الهمل

An eighties
aristo
for Coco

**'Chanel
invented
casual chic:
the opposite
of uptight
French
women with
poodles'**

Inès de la Fressange smiles mischievously. "People think that I am the second Coco. But I'm much kinder and sweeter", she says. The rangy, aristocratic Inès is the image-maker for the revamped house of Chanel and the muse for its creative director, Karl Lagerfeld. She has also caught the changing spirit of our fashion times and expresses it in her modelling: independent, coquettish, droll and essentially European. After a decade of shifting fashion power, Inès de la Fressange symbolizes the renaissance of French style. She carries that burden lightly.

"Other people have given me this image of being typically French", she says. "I think of a French girl as being always angry and not nearly as tall as me. But then, many people in France think that, to be chic, a model has to have her hand on her hip."

Inès de la Fressange is famous on the catwalk for sending up all the traditional poses, for sauntering out innocently, cigarette in hand, for screwing up her mobile face at the camera, for prancing out with her mongrel dog Jimmy on the end of a Chanel-chain leash.

"Chanel invented casual chic", she says. "She was just the opposite of all those uptight Parisiennes with poodles." Later, Chanel suits became identified with the bourgeoisie and designed for older women. It is the role of Inès de la Fressange, and her friend and mentor Lagerfeld, to outface the awesome Chanel tradition.

"It mustn't be like a religion", she says. "We sometimes have to laugh at the whole Coco Chanel mythology. I don't think that Coco herself had so much humour. She had strong ideas, brave ideas, but she was not a surrealist like Schiaparelli. She couldn't be so frivolous. She had to work a lot and fight a lot."

Inès de la Fressange is funny, witty, 28 years old and nearly six feet tall. She is identified so closely in the public mind with the spirit of Coco Chanel that people shout to her that they are wearing her perfume as she drives along; they congratulate her on her last collection; a retailer from Africa arrived on the doorstep of the Paris Chanel salon demanding her attention. The fashion house reputedly paid one million francs in 1984 to sign her up for seven years. It uses her to ginger up

the sales teams and to support promotional efforts.

More significant to the fashion world is Inès's role as artist's muse to Karl Lagerfeld. He told me quite simply that he would not design Chanel collections without Inès. The feeling is reciprocal and hands a certain responsibility to Inès.

The sales graph of the fashion house and especially of the Coco perfume has responded dramatically to the revitalization. A new Chanel boutique opens in New York this autumn; a second Chanel shop opened in London's Sloane Street this spring, and a major refurbishment of the original London Bond Street shop will be completed in the middle of next month.

"I've never been afraid of the responsibility", Inès says. "I never read a book about Coco. I don't want to be afraid or shy of it. I put a Chanel haute couture jacket with a white T-shirt and I know that,



Inès on the catwalk: a certain allure and a sense of fun

when the house is successful, there is no way the company is going to be against it."

Inès arrived to meet me in a navy jacket, white T-shirt, black trousers and shoes. Her fashion style, she says, is an endless search for the perfect navy jacket, which goes with a roll-neck sweater in winter and a white cotton shirt in the summer. "Chanel was chic in a sweater and pearls", she says. "To be elegant you do not have to be uptight. And I suppose I do not have a social complex."

Like Gabrielle "Coco" Chanel, Inès de la Fressange was born in August: like her she smokes elegantly ("but not for the pictures: young girls might copy me"). But whereas Chanel was born a peasant and,

after a lifetime of association with the aristocracy, still sought to conceal her humble origins, Inès was born to high society and money. Her mother is an Argentinian beauty, her father a French marquis; her memories are of holidays in St Tropez with her grandmother, when they set out "with 20 suitcases, a chauffeur and a personal maid".

Choosing a fashion model in the upper-class tradition is a throwback to an earlier era of photography. Inès could be one of the society beauties in the Cecil Beaton Exhibition that she was rushing off to the Barbican to view.

Her childhood was spent in a grand country house and the local boys' school. It left her with a lifelong and Chanel-like passion for man-tailored sports clothes and for school uniform grey flannel.

With Coco, too, she shares a passion for England. Inès now has her home base in London ("I like the cosiness of England, which doesn't exist in France").

Her career demands constant travel, so she leads a peripatetic fashion life and her faithful dog has to be billeted on her long-time but now ex-boyfriend in Paris.

"He spoils him terribly so that he gets too fat", she laughs. "It's like a divorced couple spoiling a child."

She regards Karl Lagerfeld not as her best friend ("you tell a best friend everything") but as "the person I trust the most". She got to know him well when he took her under his wing (and in his private plane) on a promotional tour. Now he uses her as a sounding board and soul mate, designing a 1940s afternoon dress to amuse her and asking her what she wants to wear.

From their collaboration have come outfits that have shaken the most traditional Chanel customers: blue jeans jackets, hug-me-tight dresses, the famous quilted bags sent up as dangle earrings or even as Inès in gilt chain braces and a miniskirt.

"It's a game for him", says Inès. "Karl works so quickly, each minute there is a new idea, and he is the exact opposite of designers who say that they are suffering so much to produce two collections a year. Karl does 15."

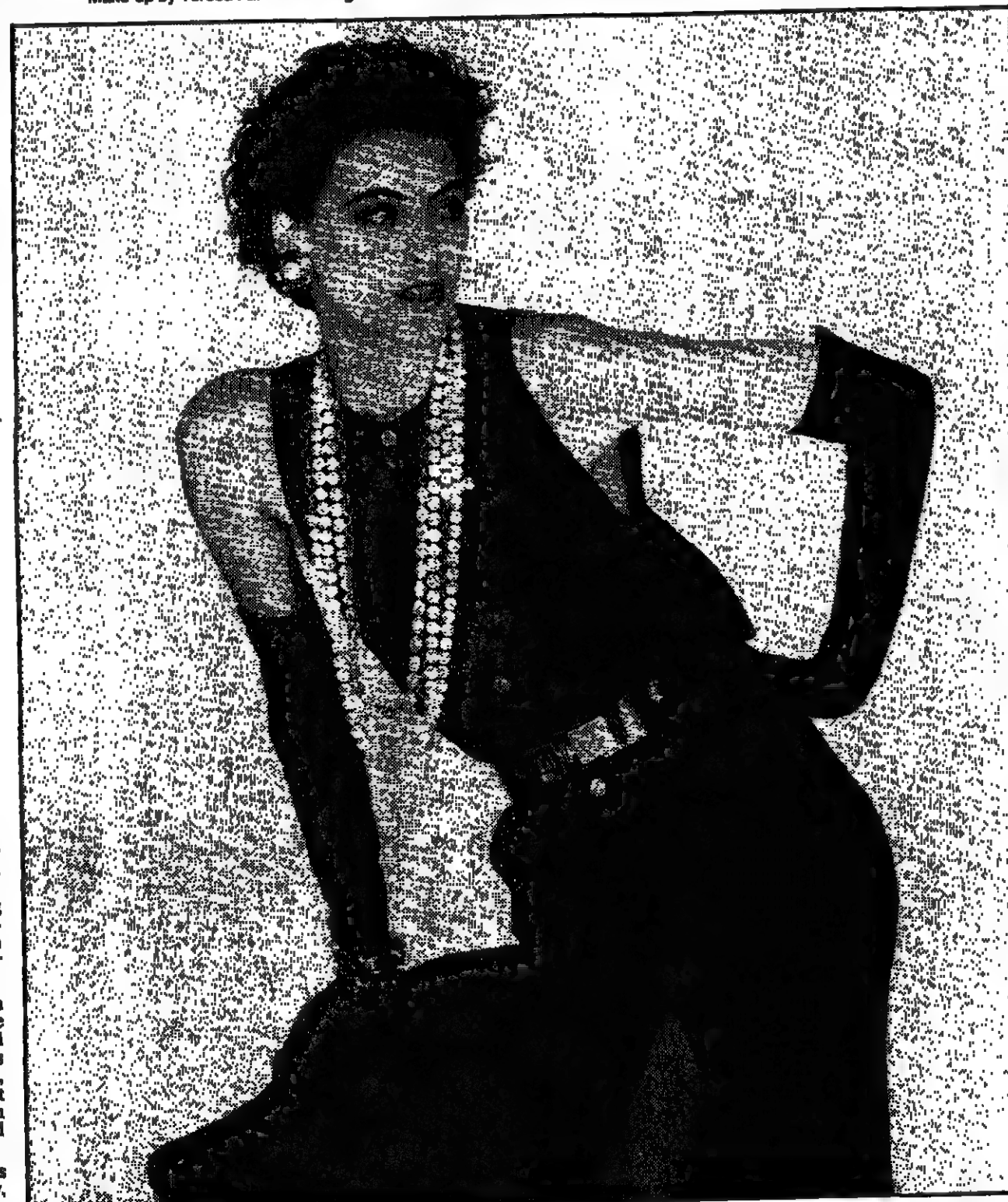
Their only disagreements are over Karl's attempts to improve on the perfect simplicity of a white sweater dress, or to use a glitter fabric which Inès considers vulgar. Her skill has been to temper the Teutonic side of his designing and to give back to Chanel the throwaway sexual allure of Coco's early collections (and earlier life). Inès de la Fressange has given Chanel a second coming. She laughs, rolls her eyes and guys up the Little Black Dress, when you tell her so.

Photographs by
Nick Briggs



Above: Inès de la Fressange in a white piqué crested jacket that recreates the famous Horst picture of Mille Chanel, far left. Below: A seductive slant on the little black dress in pleated silk georgette with signature gilt buttons; in the autumn collection from the end of the month. Gilt and pearl jewellery and gloves from a selection, all from Chanel, 31 Sloane Street SW1 and from the revamped Bond Street shop from August 14.

Make-up by Teresa Fairminer using Chanel's Les Croisières. Hair by Peter Forrester at Daniel Galvin colour salon

It's chic
on the
streets

I was too young in the 1960s to take note of psychedelia or miniskirts. My first recollection of fashion awareness was a bet with my father at the age of 14 that I would never be seen in a pair of hot-pants.

As a child, the word "fashion" conjured up images of sophisticated ladies from the pages of *Vogue* and *Harper's and Queen*, and my mother's little black dresses and slim tweed suits. There was a clear defining line between grown-ups' clothes and the Laura Ashley party dresses that the younger generation wore if the occasion called for more than a pair of jeans.

Suddenly, after two decades of earth mothers, executive women and outrageous fancy dressing, fashion has returned to elegant chic. I, however, will not be riding my mother's antic to achieve the look, for this 1986 nouvelle chic is thoroughly modern.

Compare the gentle curvy lines of Dior's 1947 "New Look", accessorized with flowery picture hats, to the strong lines of Jasper Conran's 1986 autumn collection. Street fashions which get together the same look on a shoe-string strap are also much sexier than the lady-like lines of yesteryear.

Black patent Grace Kelly handbags, long black gloves and high-heeled slingbacks are retro accessories to the elegant look. They will all be on sale in the high street to recreate the 1950s style, but that is not to say that I will be throwing away my rucksack or teetering on heels that I have never worn. It is far more likely that Monty Don's witty diamond dogs will be pinned to the pocket of a faded denim jacket and that the denim jacket will be worn over the little black dress.

Rebecca Tyrrel

ALAN McAFEE'S EXCLUSIVE
Knightsbridge
MEN'S SHOES

MAGNETIC
SUMMER SALE
CONTINUES

Branches:
73 Knightsbridge S.W.1 01-235 7218
100 New Bond Street W.1 01-629 7975
17 Old Bond Street W.1 01-699 7343
5 Cork Street W.1 01-734 7201
46 Curzon Street W.1 01-429 4389
29 Lime Street E.C.3 01-623 5036
2 Victoria Colonnade, Southampton Row W.C.2 01-631 8084

Exhibition
of Korean Furniture and
Eastern Accessories
June 26 to July 15.

Sanderson
Berners Street, London W1
Car Park, Coffee Shop.
Monday to Saturday 9.30 - 5.30. Admission Free.

COMME des GARÇONS
*
HOMME PLUS

SALE NOW ON

115 Fulham Road, London SW3. Tel: 01-581 4650

FASHION NEWS

John Galiano, 22-year-old avant-garde designer, is relaunching his company. Fashion entrepreneur Feder

Bertelson is backing the ex-St Martin's student, who is designing a completely new collection which aims to put Galiano's undoubted creative flair on a more commercial basis.

Full financial support from high fashion's godfather will enable Galiano to stage a show at the next London fashion week in October and guarantee deliveries for that season. His new collection will be sold under the name Agnecheek, the Bertelson company label which also boasts Alistair Blair, a newly fledged designer favoured by Sarah Ferguson, and menswear designer Richard James

Harvey Nichols in Knightsbridge have spring-weight tailoring in light wools from Soprani and Krizia; silk summer occasion outfits from Jan Van Velden, Flora Kung and Nippon; sophisticated silks jersey cocktail dresses by Bruce Oldfield and some rainwear that did not sell out in the Great monsoon.

Liberty can offer you brimfuls of reductions on royal wedding hats from Graham Smith, Philip Somerville and Kangol. Their 50 per cent fashion reductions include the summer prints of Betty Jackson and Wendy Dagworthy, as well as the more grown-up chic of Jean Muir, Sonia Rykiel and Yves Saint Laurent Variation.

Dickens and Jones (Regent Street, Milton Keynes and Richmond) are halving the cost of holiday clothes with mark-downs on citrus brights, sunshine whites and high fashion spots in their separates department.

COTTON WITH THE
FEEL OF SILK

Luxurious 100% cotton damask & cotton satin shirts and classic nightwear. Send for brochure and fabric swatches to Sybaris, PO Box 137, Sheffield S10 1W.

ALLANS
1946-1986
SALE

40 YEARS OF LOVELY FABRICS
EVERYTHING IS REDUCED

56/58 Duke Street
Grosvener Square
London W1M 6HS

Mon-Fri 9-6
Sat 9-1

LOEWE
SALE
NOW ON

UP TO 50% REDUCTIONS
ON THE FINEST LEATHERS
IN THE WORLD

SPRING/SUMMER '86
Prêt à Porter Collection
for ladies and men, plus a full range
of fashion and travel accessories all
greatly reduced.

LOEWE 47-49 Brompton Road
25 Old Bond Street Knightsbridge
London W1 London SW3
01-493 3914 01-581 4014

THE TIMES DIARY

Tambo gambit

It is normally Britain's lot to follow the lead of the Americans, but in the case of Oliver Tambo, the boot is on the other foot. After five years of clandestine meetings with the African National Congress, the US State Department is on the brink of enjoining the British example and making the talks official. Like Mrs Thatcher, Reagan's advisers see the possible advantages of a dialogue with the ANC as a temporary means of diverting attention from pressures to impose sanctions on South Africa. If the ANC leader goes to America, he will want full red-carpet treatment. Chief Buthe's Zulu leader, was received by Reagan himself on a trip to Washington not long ago, and Tambo is unlikely to settle for anything less.

Swansong

The Victoria and Albert museum has received such stinking publicity of late over admission charges, floods and the like that one might expect it to leap at the chance of vaulting an achievement. But so far it has made no public announcement of its recent English Heritage award for the best museum publisher. Could it be that the museum is embarrassed over its sacking a few weeks ago of publications officer Nicky Bird — the man responsible for winning the award — for over-running his budget? Bird tells me: "It's a pity the award didn't come quite in time to save me from the tumbrels."

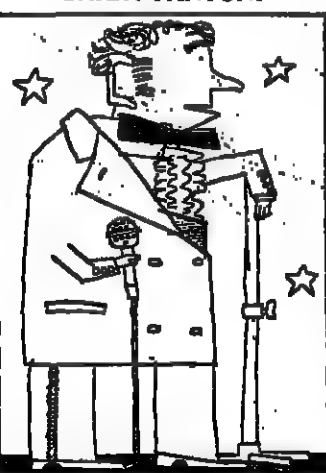
Lambeth baulk

Few areas of London suffer a more pressing housing problem than Lambeth, yet the post of borough housing director is in limbo. Three weeks ago the then incumbent, Ed Atkin, was ordered out by the new council leader, Linda Bellos. Atkin, American husband of former councillor Sharon Atkin, decided not to go quietly, and summoned the local government union Nalgo to his aid. He is at home on indefinite leave and appears unwilling to relinquish the post without a substantial early retirement handout.

Bullish

A royal row in the London Borough of Newham over a decision by a number of Labour councillors to boycott all functions during a forthcoming visit by the Queen. John Bull, a local royalist and former Royal Navy seaman, tells me he is so outraged that he is organizing an assembly and march on the day of the visit by 300 ex-servicemen and women. With such a name, I suppose he could hardly have done otherwise. To judge from correspondence in the local press, further developments can be expected.

BARRY FANTONI



'Heard the one about the Irish couple who got divorced? Neither have I'

Off course

Passengers thinking of boarding the luxury cruise liner, the Astor, when it makes its maiden voyage from Southampton next year might be interested to know who owns it: the South African Marine Corporation. The 21,000-ton vessel, built in West Germany, was commissioned by Safmarine for cruises between Europe and Cape Town. But the political climate being what it is, and the ailing economy making it difficult for South Africans to travel, the plan began to look unattractive and the ship was finally chartered to Morgan Leisure of Colchester, which created Astor Cruises to do the marketing. For £4,730 the first cruise will take you to the Caribbean, up the Amazon, across to West Africa and into the Mediterranean. Astor's general manager, Len Wilson, says: "I'm not worried about a boycott. This company is British and the ship will be manned by British officers and hotel staff from Mauritius."

Cottoning on

My story about colloquial re-interpretations of the diplomatic acronyms CMG, KCMG and GCMG has prompted a reminiscence of colonial days in Africa from a reader in Somerset. When the late Geoffrey Colby MCG arrived in Nyasaland in 1948 as governor, local wis rendered his postnominals as meaning either "Call Me Geoff", because of his congenial manner, or "Cotton, Maize, Groundnuts", from his interest in crop-marketing matters. Their ingenuity ran out, however, when he advanced to KCMG the following year.

PHS

Theatre of the absurd

Amid the row over the Hall-Nunn 'fortunes',
Bryan Appleyard suggests a better
way to run our national drama companies

Sir Peter Hall and Trevor Nunn have dominated British theatre for the past decade. They have led our two national companies into their long awaited homes on the South Bank and at the Barbican and from there they have ruled over the subsidized theatrical network in a manner which has been despotic, arrogant and internationally successful.

Their joint reign, however, has been steadily undermined by the very freedom which they have been permitted both by their respective boards and by the Arts Council. The rationale for this freedom has been simple enough: Nunn and Hall are highly talented and represent an unequalled asset for the subsidized companies. Yet those companies can only offer salaries which, by international standards, are low. They have thus been allowed to undertake work outside and, periodically, to benefit from National or Royal Shakespeare company productions which are popular enough to justify a transfer to the commercial theatre.

Resentment caused by such activities was generally limited since it is recognized that Nunn and Hall are effectively indispensable. But, first at the RSC and subsequently at the National, this resentment has spread and hardened in response to their increasing burden of external activities. In addition there has been the spectacular success of transfers from the companies. Shows like *Gyps and Dolls* and *Les Misérables* have shown that

expensive ventures which would probably frighten off solely commercial producers can be made to work by starting them in the subsidized sector. But Hall's production of the musical *Sevigny* at the National — whose only possible *raison d'être* was a commercial transfer — flopped miserably, leaving the company holding the bill for the losses.

All this has led to a situation in which the subsidized companies can all too easily be used as a means of removing risk from theatrical investments. That is unacceptable enough. Add the fact that individuals within those companies are allowed personally to profit from those ventures when they succeed, and it becomes outrageous.

It would have been expecting too much of Nunn and Hall themselves to have announced that it was plainly wrong. The Arts Council and the theatre boards should have acted as soon as the extent of the problem became clear. All were obviously wrong-footed by a profound change in the theatrical market. Where once there was serious theatre on the one hand and popular theatre, including musicals, on the other, there are now only blurred boundaries. The "serious" musical has been discovered — worthy of sub-

sidy yet able to draw popular audiences. In addition a big middlebrow market with a seemingly limitless appetite for plays like *Amadeus* has been unearthed.

With the loss of artistic demarcation came a corresponding loss of managerial demarcation. The subsidized and the commercial sectors drew closer together and neither was prepared for the side effects. Commercial producers found themselves competing with expensive subsidized productions of shows which they felt should have been theirs by right. Meanwhile the state companies found it increasingly easy to cast off the fetters of "culture" and to descend, when the time was right, into the marketplace.

Yet, in principle, there can be nothing wrong with a degree of co-operation. The old subsidized structure is at all points being forced to adapt to partnership deals with private money. Naturally such arrangements cannot be allowed to swamp the subsidized companies' list of productions and, of course, all profits must flow straight back into less commercial ventures. But, once those conditions are satisfied, public-private deals make obvious sense.

The present situation, however,

is hopeless. It seems that we have reached the stage where Hall and Nunn themselves are more important than the companies they lead. If it is true that Hall has been allowed to nominate his successor then little more needs to be said about the absurdity of this state of affairs.

For the fact is that simply being allowed to run one or other of our two national companies should, within reason, be a substantial part of the reward for doing so. Ideally future appointments should be on short — say five-year — contracts and the salary should be significantly improved. This would reinstate the importance of the company as a whole as against that of one politically successful individual and it would permit gifted directors to return to the private sector with plenty of their professional lives to spare for the making of their millions. Actors, after all, work roughly on that basis.

The best hope that such vital changes may be in the offing lies with Sir Kenneth Cork, whose inquiry for the Arts Council into the professional theatre in England is due to report in September. May he grasp the nettle, not only for the sake of the bruised sensibilities and unimproved balance sheets of the subsidized sector but also for the restoration of the image of the companies as national assets, thoroughly committed to the sustenance of theatrical culture. For that, finally, is the only way they will ever justify their share of the public purse.

(The Times Magazine, 1986)

Adam Michnik writes from prison to the Polish party congress

Attack the Church at your peril

I am your adversary, one of those who know from experience that your party is incapable of initiating democratic reforms of its own accord. You, party activists, have so far reacted only to external stimuli; worse, you were never open to words of persuasion until they were drenched in blood. On such occasions you did begin to consider changes. There is nothing, however, to show that you have changed. In spite of this, I write in the conviction that silence in the face of evil turns a witness into an accomplice. There can be no other reason for writing to people who react to arguments by giving out prison sentences.

First, let me tell you what I shall not write about. I leave aside your promises of democracy five years ago, the disastrous state of the economy, the growing areas of poverty, attacks on the quality of life and on the social gains of working people, and the arrogant self-congratulatory declarations of your leaders. I shall not write about Solidarity, the union of millions of members forced into illegality, nor about civic and cultural life pushed into underground existence.

Being a prisoner of conscience, I shall not appeal to your consciences. When under arrest, communists were always demanding political prisoner status, but when in power they refuse to grant it to their adversaries. I shall spare you stories of the reprisals against prisoners, and of provocations, so ingenious that I often wonder where the perpetrators of these practices learned their devilish art. I shall also forgo complaints against my guards here in Barczewo, whose contribution to the party congress takes the form of daily examinations of my naked body with a rather perverse enthusiasm. I am not impartial in any of these matters; a victim can never be an objective witness.

However, I am not a victim of your anti-Church policies. You must know that I remain outside the Catholic church and have never made use of a church pulpit, so I am above suspicion of being an interested party. I am therefore in a position to tell you that your policy is short-sighted and dangerous — not only for Poland, but for you as well. Its basic principle is a re-enactment of the practices of the early Stalinist years, that is, introducing the methods already applied to us political prisoners into civilian life. These consist of



unceasing series of deliberately provoked tensions and conflicts, the aim of which is to destroy the adversary.

As far as we, the citizens of the Polish Republic, are concerned, this method has at times proved successful. You did succeed in engineering the mental breakdown of more than one prisoner. You managed more than once to murder or force someone to commit suicide. I am avoiding a moral assessment of these acts, but I concede their efficacy.

With regard to the Church, however, such methods are doomed to failure. Even in the Stalinist days, which were times of terror seldom equalled in Polish history, the Church was not annihilated. Mass persecutions, show trials and the imprisonment of Cardinal Wyszyński and many bishops proved to be of no use. The Church survived.

There are some among you who would like to try this experiment once more, people obsessively and professionally devoted to destroying the Church. They raise the spectre of Catholic intolerance, visions of burning stakes and cruel Inquisitors. This is

nonsense. The Catholic church in Poland is not a disseminator of hate, but it is a disseminator of love, of any other kind. An unabashed non-Catholic is telling you that he has never suffered any injury on the part of men of the Church, but has, on the contrary, experienced a great deal of friendship and help.

What is it then that the professional anti-clerics are after? Without beating about the bush, they want the restoration of totalitarian dictatorship in its most oppressive form. They want the political conflict between totalitarian power and society to be transformed into a conflict between the State and the Church; to make social and political tensions appear to be religious conflicts; to find a pretext that would enable them to mount a police action against the only independent institution in Poland. In this way they hope to delude people at home and abroad into thinking that what is at stake is not a struggle against totalitarianism but a noble fight of enlightenment against superstition.

This is a dangerous game. It will not destroy the Church or Solidarity, but it may endow conflicts in Poland with a new and dangerous

dynamic. Every time you make an issue of the crucifix, you give it a political context and make it into a symbol of opposition. In this way the Church comes to be seen as a political party in opposition. This is a development which Catholic bishops emphatically do not want. It is you, not they, who create a situation in which every religious act becomes a political declaration, and every political declaration of the opposition acquires in the minds of the public a religious significance. Being religious is becoming a synonym for being in opposition.

The consequences are not difficult to foresee — the abolition of the distinction between the sacred and the profane; greater stubbornness and intolerance on both sides; and the disappearance of even the slightest chance for dialogue. For remember, the possibility of turning the present conflict into a political dialogue still exists, and politics is a natural sphere of compromise. Religious conflict, on the other hand, is always a matter of moral witness, and here compromise is very difficult. In saying this I have the Polish national interest at heart, but there is in it an element of egoism as well. I fear, namely, that unbridled intolerance will play havoc with the humanistic values which are dear to me.

Common sense tells me — and to you it is a warning — that total war with the Church is bound to result in bloody explosions of popular discontent. Poles are a long-suffering people, but there are limits to their patience. Remember that every dictatorship comes to an end. Recent years have seen the collapse of the power of the Shah in Iran, of the Argentinean junta, of the despotic rulers of Haiti and the Philippines. Do not think that you can escape this fate. There is no exception to the rule. Your end will come too.

The advent of democracy is inescapable, because Poles want democracy. What really matters is that these changes should come about peacefully, without civil war, without hatred and bloodshed. So stop your daily practical lessons which prove to Poles that the only language you understand is the language of violence. Stop demonstrating day by day your mystical belief in the argument of force, for this may well induce some people to pay you back in kind.

There is no hatred in what I am saying, only anxiety. I speak to you as a free man, though in prison. I speak the language of the free, who are divested of their rights. It is a language you do not like. You call yourself the Polish United Workers Party. You do not know what unites you. You do not represent the workers. I do not wish to go into the question as to what extent you are a Polish party. It is a fact, however, that you rule Poland, the land of all Poles. This imposes certain obligations on you. Please give them some thought.

(The Times Magazine, 1986)

Adam Michnik, a 40-year-old historian, was a founder member of the Workers' Defence Committee (KOR), which disbanded in September 1981, and an adviser to Solidarity. He was arrested, with two colleagues, during a meeting in a private house in February 1985 and was sentenced to three years' imprisonment (later reduced by six months) for conspiring to organize a strike and being a leader of an illegal organization. This letter, smuggled out of Barczewo prison, was made available by the Information Centre for Polish Affairs in London

Prisons: why Britain too should privatize

One American in every 500 is in prison, a total of 430,000 in 3,500 jails. To cope, in the absence of adequate public funding, more than a dozen private firms have been employed to build and run jails — at an estimated saving of 20 per cent.

First, construction costs are lower because private industry is not subject to the cost-inflating rules which the government imposes on its own construction projects. Time is also saved: instead of taking three or four years, as the government would expect, private companies can put up a prison in six months.

A prison combines security facilities with features of hotels and hospitals. Private firms have long experience and expertise in the management of all three. In fact one of America's largest prison operators began life as a hospital company.

Private firms are more concerned with efficiency. Through architecture and technology they

give each guard greater powers of surveillance, so fewer guards are needed.

Some argue that if Corrections Corporation of America charges \$21 per inmate per day, while the state can barely manage on \$25, it must be at the cost of essentials. That suspicion does not seem borne out by the results so far.

The use of private prisons is too recent, especially in respect of maximum-security prisons, for official evidence to be available. But interim material suggests that they offer a better service in many other areas than mere cost. Prisoners report that the food, for example, is better. They prefer the atmosphere of the private prisons, and the more humane treatment. The authorities report a lower rate of assaults on wardens and fellow prisoners and fewer suicides.

Private sector jails are pioneering new attitudes and techniques. In many of them the old tides are replaced by softer ones. Instead of prisoners and guards, there are

"residents" and "supervisors". Instead of guns and uniforms, there are company T-shirts. Ted Nissen, head of Behavioural Systems Southwest, works hard to arrange jobs for his "residents" when they leave. "Otherwise," he says, "I may lose my contract."

The private sector could take over Britain's prisons gradually, as it is doing in America, working its way up from low security detention centres to the construction and management of top security institutions. Private sector jails began in the US only a few years ago with centres for holding illegal aliens and juvenile offenders. Then Corrections Corporation of America won a four-year contract to lease and run the medium security Silverdale jail at Chattanooga. Last September it bid to operate the entire prison system of Tennessee on a 99-year contract.

There is nothing about the American prison system which suggests that it is easier than ours to run privately. Its problems of

overcrowded, outdated and low quality prisons are far worse than ours. And in Britain, some use is already made of privately-run institutions for holding immigrants of doubtful status, and pre-trial detainees.

The recent prison officers' strike, and attendant disturbances by prisoners, has demonstrated the need for a radical new approach throughout the prison network. While we could pump more money into the existing system, it would make more sense to invite the private sector to show what it can do by building and operating new institutions.

There would be no question of society relinquishing control. Effective monitoring would give greater control of privately-operated prisons than it could ever achieve in the anarchical and bitterly disputed public sector.

Madsen Pirie

The author is president of the Adam Smith Institute.

Norman Podhoretz

When judges seize the law

Washington

The nomination of Antonio Scalia to the US Supreme Court has been greeted with a great deal of talk about where he stands on a series of controversial political issues. But the important question to ask about him, or any other nominee to the Supreme Court (merit being stipulated), is not whether he is for or against abortion or school prayers. It is whether he is for or against the constitution.

Putting that way may sound gratuitously provocative and melodramatic. But the terms in which the question is usually framed — does he believe in judicial activism or in judicial restraint? — are, for all their soothing sobriety, less precise and even ultimately misleading.

The reason is that judicial activism has gone much further over the past few decades than its name suggests. Contrary to what Americans have been taught is its proper business, the Supreme Court has not been interpreting the constitution, not even broadly. Instead it has been ignoring the constitution and providing what one eminent student of these matters, Professor Lino Graglia of the University of Texas, calls "constitutional law without the constitution".

In the past, the debate between the two schools of thought on the scope of judicial review turned on how to read the constitution. But the debate today, as Graglia describes it, "is not about how judges should read or interpret the text of the constitution, but about whether this is what they should in fact confine themselves to doing".

To be sure, even Justice William Brennan, the most aggressive proponent of judicial activism now sitting on the Supreme Court, pays lip service to the old idea of interpretation. But his attack last year on the reaffirmation of this idea by the Attorney General, Edwin Meese, reveals that lip service is all that Brennan is willing to pay.

Indeed, it is no exaggeration to say that Brennan, along with most professors of constitutional law (Graglia dissenting), argues that the constitution as written cannot and should not serve as the basis for deciding the cases that come before the Supreme Court.

To begin with, they claim, no one can know what the authors of the constitution really intended. Furthermore, even if that knowledge was available, the court should not bind itself to what Justice Brennan dismisses as the "anachronistic views of long-gone generations". In other words, the written text of the constitution is simultaneously unintelligible and irrelevant.

What then is left? According to Brennan, "majestic generalities and ennobling pronouncements," which embody "the aspiration to social justice, brotherhood and human dignity".

Obviously, with this as a charter, the court is free to disregard the text of the constitution altogether. What is still deceptively

labelled constitutional law thus becomes law made by unelected judges who do not consider themselves bound by anything other than their own ideas about how to establish "social justice, brotherhood and human dignity".

This is not judicial activism; it is judicial usurpation. Specifically it is usurpation of a power that, under the constitution which most Americans naively think they can understand and by which they fondly imagine they are governed, is supposed to be exercised through elected representatives in the state and federal legislatures.

There is no doubt that the Supreme Court, in seizing this power, has used it in the last three decades to enact a "liberal" agenda. Yet a differently composed court, working on the same theory, could just as easily enact a "conservative" agenda. Opponents of abortion, for example, can appeal no less persuasively than its supporters to "majestic generalities" about "social justice, brotherhood and human dignity".

If, on the other hand, a Supreme Court judge believes that the constitution remains an intelligible and relevant text, and that his only job — is to interpret and apply it, then it is his private ideas about abortion, or any other issues not covered by the constitution, which become irrelevant.

Graglia states the point sharply: "An opponent of judicial activism need not claim to know the answer to so difficult a question of social policy as, say, the extent, if any, to which abortion should be restricted, to know that it is shameful in a supposedly democratic country that such a question should be answered for all of us by unelected and unaccountable government officials who have no special competence to do so."

Antonio Scalia has made much the same point about the regulation of abortion. In the past, he said, such decisions would be made through the democratic process. "Now the courts have shown themselves willing to make that decision for us. That is the major reason some people speak of an imperial judiciary."

Nor is Scalia one of those conservatives who favour submission to the constitution only when liberals dominate the court and become enthusiasts of judicial usurpation whenever their own party takes over. Conservatives, he has written, must decide whether the courts really are doing too much or simply have not been doing what conservatives want.

Scalia has decided against "judicial intrusion into the business of the political branches". Which is to say that he has decided in favour of the constitution. That is why everyone who wishes to save the system of self-government enshrined in the constitution — the one Justice Brennan and his academic supporters think is unintelligible and irrelevant — should applaud Scalia's nomination to the Supreme Court.

The author is editor of Commentary magazine.

A.N. Author

Foreign affairs home to roost

It must be almost a year now since I appeared in this space, and a year is a long time in publishing.

Two things make me want to communicate with you again. The first, as before, is my recent receipt of a royalty cheque for an illustrated work of fiction, which was paperbacked — for that is the unlovely term within the trade — by Bills and Moon. The title, which you, like both my other readers, will have forgotten, was *The Soul of Mrs Saxby*, and this year the cheque, for £7.49, represented a 100 per cent increase on 1985. That is probably why you detect a new buoyancy in my prose style.

The second reason for my columnizing is a stroll which I took last week into the verdure and stucco of Bedford Square, the fabric of which has always struck me as the perfect emblem of literary success, no less than a lone jiffy bag seems the ultimate token of easily attained failure.

There were all the great and immutable houses — Chatter and Windbag, Sacker and Windup, and, of course, Heineken, the publisher which fails to reach the library shelves which other publishers can.

There were the iron railings against which I last saw my young Asian novelist friend leaning in a posture of utter despair. He was turns baying at the moon and crying into his hands, having just been thrown out of the launch party for his own book, *A Kind of Empire*, for nothing more serious than punching the chairman in the mouth. This had been the logical conclusion of a conversation on the small matter of an advance. And I really do mean small.

Anyway, on this last visit of mine, I wandered through towards one of those streets where the Bedford Squares sit at parasolled tables and drink Pimm's with Italian novelists called Al Fresco.

At this point, whom should I spy in precisely this posture but C.H.A. Irman himself, lurching the latest in a line of putative Italo Calvinos. You would not think it to look at him, so sleek and blameless does he appear, but he is in the deepest of trouble. I know this to be the case, from another source, and I believe it must be the only time I have intelligence in the publishing world which he himself

lacks. The nub of the matter is that Irman's house is about to be taken over by a concern which has as much interest in, and knowledge of, literature as I possess in the field of oxy-acetylene welding. Accordingly, his board of directors, which has sought the means of his professional demise for many a long year, has given him a job which, on the face of it, is enviable viz. to travel the world soliciting the literary endeavours of foreign authors.

To my certain knowledge, he has in the past few months flown first-class to Rio, Bangkok, Buenos Aires, Tokyo and Athens, offering contracts to all and sundry. He has as yet garnered no manuscripts, but the exercise has been a balm to his insatiable ego. More than that, it has turned into a solipsism, whereby all his "commissions" serve no greater purpose than to enhance his sense of power.

Come the autumn, the company will be awash with thrusting new accountants, toxic with talk about the bottom line. They will study Irman's global track record, declare him a commercial liability, and that will be the end of him. It will be the publishing equivalent of a garden weed killed by a surfeit of nutrition.

I must admit that, as I passed the table where he was getting quietly sloshed with Fresco, I was touched by a pang of compassion. But it was shortlived, for it was Irman who promised me so much investment in *The Soul of Mrs Saxby*, only to see the thing drown in an ocean of critical indifference. His come-uppance is long overdue.

Irman's globe-trotting has clearly given him a false sense of linguistic prowess, for there he was trying to trade fluent Italian with Fresco. The latter was desperately trying to talk him into publishing a work of fiction about incest in Tuscany.

As I loitered on the corner to catch more of Irman's pretensions, I saw him pay the bill and dismiss his guest, frowning that you with a very English *Fresco* go, which is precisely the message he will be receiving from his own board before the summer is out.

Miles Kingston is on holiday.



1 Pennington Street, London E1 9XN Telephone: 01-481 4100

MR REAGAN'S EXAMPLE

Mr Nigel Lawson must be looking with the most intense frustration at the tax reforms now agreed by the United States Senate. If they pass into law, they will cut the top rate of income tax from 50 per cent to 27 per cent, simplify the structure to make it fairer, and eliminate or drastically cut the tax liabilities of the poor. Britain's Chancellor has wanted to carry out such reforms for years. But he was stopped by a Cabinet which feared that measures so popular in the United States would lose votes for Mrs Thatcher.

The case for changing taxes over the widest possible base, at the lowest feasible rate, with the minimum of allowances and exemptions, is familiar to any student of economics. It is also common sense. The more the exemptions, the greater must be the tax rate if it is to raise the same revenue.

That combination, moreover, distorts economic activity. Higher rates of income tax sap incentives to earn and many taxpayers will do almost anything to escape through the loopholes. High tax rates encourage artificial avoidance by the rich through their lawyers and accountants, and illegal tax evasion by the poor through the black economy. And they breed calls for yet more allowances to relieve special hardships or to favour what various lobbies believe to be a socially desirable use for other people's money.

The spiral is further fed by political expedience. It is easier to grant an exemption to some minor interest than to resist all calls in the hope of bringing rates down. Those interests accordingly combine

into a formidable barrier to reform.

The Chancellor showed the resolution required when he tackled corporation tax — an impost that produced remarkably little revenue from a 52 per cent rate. By sweeping away stock relief and investment allowances, Mr Lawson has cut the rate to 35 per cent and increased revenue to boot.

When it came to the Grand National of income tax reform, however, Mr Lawson refused at the second fence and then — if that is possible — fell at the third. Having removed tax subsidies to new life assurance contracts in a rather clumsy way, he came up against the Conservative Party's assurance that mortgage relief (estimated to cost around £5 billion a year in lost tax) was inviolate. He was then so bamboozled by the pensions lobby (defending more than £7 billion of income tax relief) that he conceded there would be no changes there for the rest of the parliament. He thereby missed a unique opportunity, since pension funds turned out to be enjoying unprecedented surpluses.

It is admittedly much harder to reform income tax on the Reagan pattern in Britain. The British government takes a third more of the national income than its counterparts in the United States or Japan. So long as this continues, income tax rates would have to remain substantial. Those who lost from reform might thus suffer significantly. It was a paradoxical advantage that American tax system had become an even more extreme prisoner of interest groups than Britain's. Approved tax shelters had multiplied to such an extent that the wealthy with

spare income need pay little or no tax. Hence the yield from reform is great and those who must pay more tax can usually do so.

In Britain, there have been traditional (more or less intended) tax shelters for the wealthy — such as farming, forestry, film-making and Lloyd's — but the main cost of relief, beyond personal allowances and owner-occupied housing (still to receive relief in the US). These are built into the budgets of many millions of ordinary families.

A spirit of weary defeatism has now grown up that will make it harder for Britain to compete with low tax countries. Stymied in its initial reforming intention, the Government has since aimed at second-best solutions and introduced new reliefs. Since the pensions debacle, it seems to be moving towards the tax shelter system the United States is now thankfully abandoning. The Business Expansion Scheme has been followed by other concessions to aid employment. Charities and share options have been helped. Personal equity plans are on the way and reliefs to encourage profit-sharing have been mooted.

Whatever the difficulties, however, the prize of reform is too great to ignore. A bonfire of reliefs could eventually cut income tax by at least eight pence in the pound. Given the Chancellor's present tax-cutting intentions, that could reduce the standard rate of income tax to 17 per cent. Mrs Thatcher's cherished tax cuts, by easing the pain of losers, provide the ideal opportunity for such tax reform. They are not a substitute for it.

BETWEEN THE EAST-WEST LINES

The domestic and alliance aspects of East-West relations tend to be neglected amid the glamour and the expectations associated with superpower summits. But in the past two weeks, in the absence of an agreed timetable for the next summit, the domestic and bloc pressures on the US and Soviet leaders have come increasingly to the fore.

In his speech in Glassboro on June 19, President Reagan unexpectedly offered a positive response to a set of Soviet disarmament proposals which just might have speeded the Geneva talks on their way. Indeed, they might still do so, for Moscow indicated its willingness to forsake some of its most dearly held beliefs on numbers of strategic missiles and on verification procedures.

But deeper domestic issues were also seen behind President Reagan's response. The recent White House message that the US was preparing to abandon the — unratified — SALT-2 arms control treaty had aroused strong feelings on both sides of the Atlantic. The House of Representatives had taken exception to it, reports of splits between hawks and doves in the US administration made one of their perennial appearances. Domestic and alliance pressure, so it seemed, had encouraged President Reagan to talk about talks once more, or at least to give the impression of so doing.

Similar pressures constrain the Soviet leader, but they manifest themselves very differently. How differently was illustrated by Mr Gorbachev's address to the Polish Party Congress in Warsaw yesterday.

With no reference to Glassboro, and no reference — however fleeting — to the conciliatory letter he had just written to President Reagan about cuts in medium-range nuclear weapons in Europe, Mr Gorbachev delivered an aggressively anti-American speech. He chided the United States for obstructing East-West disarmament efforts; he criticized the West Europeans for succumbing to US pressure, and pleaded with Nato for his country's succession of arms control proposals to be taken seriously.

It was a harsh argument and, in the light of Glassboro, an unnecessary one. But it was tailored to its audience and its time: a particular East European audience (Polish Party officials) at a particularly tense juncture of Soviet-East European relations (post-Chernobyl). As such, it should not be taken too seriously.

Mr Gorbachev had a number of points to make — points which he clearly felt had been ignored or misconstrued in recent weeks. Above all, he appeared to be trying to counter an impression of weakness or capitulation before American might. Conciliatory statements in

deliberately publicized correspondence with the other superpower are one thing. The same statements made by the leader of the Soviet Union and the leader of the Warsaw Pact before a weaker satellite are quite another.

For the Polish audience had to be reminded of two facts of life, facts which the post-war generation of Poles, even loyal members of the Communist Party, have periodically been inclined to forget: the supremacy of Soviet power and what the Soviet leadership would like to see as the essentially European character of the Soviet Union.

Mr Gorbachev's insistence that the Soviet Union was not trying to split NATO by dividing the West Europeans from the United States was meant as much for the Poles (who regard themselves as belonging to the mainstream of European culture and Russia as the outpost of Asia), as it was for the Western alliance. The clear message was that alliance commitments should be respected on both sides of the East-West divide.

Even when these domestic considerations are taken into account, the prospects for a superpower summit before the year is out look remote. But they are not as remote as Mr Gorbachev's affected belligerence might suggest. The real dialogue continues not in the conference hall, but in the discretion of diplomacy.

FLYING HIGH IN EUROPE

Today Britain takes over the presidency of the European Community for the third time in 13 years, more determined than ever before to make its own voice heard. This is just as well because yesterday's meeting at Luxembourg suggested that it might need to shout quite loudly.

This new confidence is more manifest in foreign affairs than in those at home. Britain's close relationship with the Arab World, now also with Israel, with China (through Hong Kong) and with Washington has placed it in a strong position to represent European policies to the rest of the world this summer. But a question mark hangs over how far the Government can exercise similar sway over its European partners on issues which are closer to their hearts. For instance, West Germany, France and Italy have strong trading interests with South Africa which they would forfeit with reluctance. On such issues it suits the Europeans to let Britain bear the credit — and carry the can.

The Luxembourg reforms of the last December might be seen in a similar light. Other Euro-

vour of their rhetoric in espousing the cause of European union, privately share many of Britain's reservations and are content to let Whitehall put the brake on — while loudly protesting at the lack of speed and progress.

On more practical matters where Britain is pressing for swift and decisive action, the boot is on the other foot. This brings one back to yesterday's meeting of Transport Ministers, who were committed by last week's summit to move without delay towards reforms for Europe's air transport industry. Before them was not only a series of proposals from the European Commission, designed to end restrictive practices in the sharing of routes and price-fixing, but also a British initiative outlining the framework for an agreement.

Far from accepting the Commission's proposals (which do not go as far as this country would like), France and West Germany came up with a "compromise" which would do little more than dent the existing cartel of state airlines. The meeting failed to

turn to the issue later. Where vested interests are concerned, the Franco-German axis on which Market affairs have for so long spun, would seem to be as firmly in place as ever.

Ironically, British Midlands Airways held an inaugural flight to Holland yesterday — the latest example of the Anglo-Dutch bilateral agreement of more than two years ago. This has led to more competitive fares and timetables between the two countries. The lowest return fare between London and Amsterdam has been cut from £69 to £49 in consequence. Similar bilateral agreements are being signed between Britain and West Germany, Belgium and Switzerland. But only Holland and Ireland are in support of Britain's campaign for all-round liberalization.

Still, Britain has an opportunity to pursue such objectives during the presidency. Success will not come easily, if at all. But while it costs more to fly from one part of Europe to another than to cross the Atlantic to the United States, there will be little enthusiasm for dramatic moves to political

LETTERS TO THE EDITOR

Drink-drive case raises a doubt

From Dr P. V. Taberner

Sir, Your report today (June 27) of the driver found guilty of drunken driving as a result of the estimation of his blood alcohol level gives me great cause for concern.

As a pharmacologist with a specialist interest in alcohol metabolism, I am astonished that a court can convert a scientific probability into a legal certainty.

Blood levels of alcohol depend upon both the rate of absorption and the metabolism of alcohol. I would accept that alcohol metabolism within an individual is very consistent, but the results of numerous practical investigations over the last ten years have convinced me that alcohol absorption is highly variable even under laboratory conditions.

To be accurate in estimating blood alcohol by backtracking it is necessary to know precisely the quantities of ethanol consumed and the time taken for consumption. Without the compliance of the individual, backtracking is, at best, a dubious and uncertain exercise.

Blood alcohol levels estimated from backtracking are usually expressed with 95 per cent confidence limits. In other words, there is still a one in 20 chance that the real value lies outside the figures quoted. This may be adequate for some scientific purposes, but if, as seems likely, the police intend to utilize this technique more widely, are we to accept that, on average, one in 20 convicted drivers will be innocent?

Yours faithfully,

P. V. TABERNER,

University of Bristol,

Department of Pharmacology,

The Medical School,

University Walk,

Bristol, Avon,

June 27.

Monumental choice

From Mr D. C. Stevenson

Sir, Mr Clive Farahar (June 26) writes that he is "appalled by the lack of choice and usefulness" in the memorials that high street monumental masons provide. He is right to be appalled but misguided in his assertions that much of the blame lies with the mason and only some with the diocesan regulations.

In recent years regulations have become petty and unfair. Incised letters can no longer be enamelled and granite memorials may not be polished. I must explain to my clients that crosses are not encouraged because the regulations state "the supreme Christian symbol (has) been too frequently used in burial grounds in the past."

Mr Farahar implies that the high street mason does not have the "experience, warmth and enthusiasm" of the artist/craftsman. He is wrong. Many of us do care and many of us employ those craftsmen. When, in thirty years' time, our country churchyards are artistically barren the blame must not be laid at the doorstep of the high street monumental mason.

I remain, yours sincerely,

DAVID STEVENSON, Manager,

Dave's Funeral,

23 Masons Hill,

Bromley, Kent,

June 28.

Ordination of women

From the Reverend Dr D. M. de S. Cameron

Sir, Your contention (leading article, June 20) that the established and comprehensive character of the Church of England requires the ordination of women raises acutely the question of the identity of the Christian faith in a post-Christian society.

Are the boundaries of that faith, as maintained by the national church, to be determined by the new self-evident assumptions of a secular society in which humanism has replaced Christianity as the *de facto* religion? That is to say, are the terms of the common-place you cited, "Anglicanism is the natural religion of the English", reversible, such that whatever religion the "average Englishman" regards as natural is to be adopted by the national church?

The problem is not new, in that the process of secularisation which leads the "average Englishman" of your leader to have even less contact with his national church than the "average Scotsman" has with mine is the fruit of a century and more of intellectual change.

But the recurrent crises of faith and morals which are presently afflicting the Church of England are evidence that this long process of secular encroachment on Christian faith is coming to a head. And for this reason the Bishop of London's vision of major ecclesiastical realignment along conservative/liberal lines is to be treated with the greatest seriousness.

So there is an answer to your charge that "to oppose the historic process of female emancipation and equality . . . would, in short, propel the Church of England towards the status of a sect". In a society whose natural religion is secular humanism it is hard to see how any Christian church that is faithful to its tradition can hope to avoid such a stigma. The only alternative is absorption in a religion which is less a "liberal" version of its self than another religion altogether.

Yours faithfully,

N. M. de S. CAMERON, Warden,

Rutherford House,

Claremont Park,

Edinburgh.

Positive errors in mother tongue

From Mr J. L. M. Trim

Sir, Your leader (June 20), responding to the new initiative of the Department of Education and Science to promote more effective and appropriate language-teaching in our schools, concludes that "it is an exaggeration to argue that linguistic ignorance is a disaster for the national economy". This conclusion seems to rest on the assumption that "the common tongue of the global village is English".

Leaving aside the question which of the two claims is the more exaggerated, it is surely naive to assume that the widespread use of English is necessarily to our commercial advantage. It makes us, for instance, more vulnerable to the penetration of our home market by foreign exporters.

British exporters are differently placed. If it were true that our goods were the cheapest and best to be found, we should be in a seller's market and our continental customers would be happy to buy from us and to face the disadvantages of having to negotiate with the supplier from a position of linguistic weakness.

If the choice between one product and another is marginal (and market forces will tend to see that it is), a substantial advantage attaches to the trading partner who is prepared to put the customer at his ease, to persuade, explain, reassure, and to clear away misunderstandings in the customer's own language and to listen to all his problems, doubts and queries, expressed with the full resources of his mother tongue.

If doubts are left unexpressed and misunderstandings are allowed to persist the contract will probably remain unsigned. This is true not only in trade: I have attended too many international meetings held in English where the English have done most of the

talking, but have seen the others say very little and go away unconvinced, to the bewilderment of the English, who have felt themselves to be so eloquent, so intelligent, so convincing.

When international competitiveness is given so much emphasis, we should not forget that stable trading relations do not rest upon egoism, but on cooperation and partnership. Partnership implies reciprocity. If a Belgian and a Greek use English together, they communicate on equal terms. If an Englishman imposes English on them, refusing to communicate except on his own terms, that is linguistic chauvinism.

Certainly that is how it is perceived by many foreigners, who then regard it as simply one manifestation of a cluster of unattractive attitudes. Once we are prepared to accept the principle of cooperation we may hope to convince pupils that the effort to gain proficiency in another language is indeed worth while.

Yours faithfully,

J. L. M. TRIM, Director,

Centre for Information on Language Teaching and Research,

Regent's College,

Inner Circle,

Regent's Park, NW1.

From the Head Master of Bristol Cathedral School

Sir, Our new language policy (your leader, June 20) may be new to us, but viewed even in merely pragmatic terms it's pretty well worn among our competitors. It was Willi Brandt, after all, who observed, in effect, while still Chancellor,

If I want to sell you something, I speak your language. But if you want to sell to me, dann müssen Sie deutsch sprechen.

Yours faithfully,

CHRISTOPHER MARTIN,

Head Master,

Bristol Cathedral School,

College Square, Bristol, Avon.

Cheats who prosper

From his Honour Judge Lifford

Sir, Is there any major international game other than football in which those who cheat are likely to get away with it and take so much pleasure in doing so? And in which most of the other competitors do not seem to mind very much and who probably regret they weren't able to do so themselves?

I have in mind Argentina's first goal against England "scored" by Maradona's hand. The fact that Maradona, whose second goal was so brilliant, is probably the most gifted footballer in the world today makes the matter worse. He is now reported as saying that it was accidental. And so, perhaps, was his unrestrained joy.

The World Cup is, in many ways, a mockery. Most of the first-round matches, played on a league basis, were not worth watching; the behaviour of many of the teams was cynical in the extreme; fouls frequently came every minute or so; many referees were appallingly weak and/or inconsistent.

It seems that each of the 36 referees came from a different country and the president of FIFA substantiates this system by saying that the smaller countries must be considered. Many of the smaller countries cannot provide sufficient experience for their referees to be able to cope with the difficult situations that all too frequently arise in the World Cup. The president says that this system "is more democratic".

And what about time-wasting? It is apparently accepted that if

you lead by one goal and there are about 15 minutes or so remaining each free kick or goal kick or ball placement is delayed as long as possible. The time-wasting by Uruguay against Scotland was disgraceful and should not be allowed.

May I suggest that for all first-class and international matches a time keeper be employed? The clock should be stopped every second the ball is out of play, whether it is before a penalty, a free kick, a goal kick or a throw-in and, of course, after a man is tackled and he has to be treated or he rolls over and over and over in feigned agony.

The additional cost is minimal. It may be necessary to reduce the playing time from 90 minutes to, say, 80 minutes. But to allow a team in the lead to reduce the remaining playing time must surely be wrong.

I played football for a well-known amateur side and we played the game in a sporting spirit. I accept that top-class football will necessarily be played somewhat differently, but must it be played in a manner where the rules are pushed aside as far as possible and where the desire to win is so great that it really becomes a desire to win at all costs?

The authorities must bring some sound common sense into the control of the game and of the players. But I wonder whether the FIFA authorities are able to do so, or even concerned to do so.

Yours etc,

ALAN LIPFRIEND,

10 Woodside Avenue, N6,

June 25.

Collecting VAT

From Mr Richard Platten

Sir, Your article (June 14) about the new regulations for the collection of value-added tax made the proposed rules sound much gentler than they are.

In future the one month allowed for submission of the return is effectively to be reduced as the returns will have to be entered into the Customs computer before they will be considered to be submitted. A prudent taxpayer will have to post them about three weeks after the end of the quarter to allow for time in the post and entering into the computer.

To make matters worse the Customs do not propose to tell taxpayers if their returns are late. A miscalculation of the time needed by the Post Office to deliver the letter will not even be known by the taxpayer until it has happened twice and the sword of Damocles, in the form of high penalties, is already hanging over his head.

The problem over tax does not usually lie in calculating the

output tax due on a taxpayer's own sales or services but in the input tax payable to suppliers and deductible from the output tax. To calculate this the taxpayer needs his supplier's invoices and many of these do not arrive until well after the end of the quarter.

The Customs authorities tell us to claim these in the following quarter and to pay too much value-added tax in the meantime. When I told an inspector that this did not seem fair he told me that I should not expect fairness in taxation.

I spend a good deal of time in unpaid compulsory labour, one definition of slavery, in calculating this liability and I do expect taxation to be fair. I do expect to be able to calculate the liability properly as Parliament intended and I hope my fellow slaves will tell the Government so at the next election.

Yours faithfully,

RICHARD PLATTEN,

Plattens Ltd,

Department Store,

Broad Row,

Great Yarmouth,

Norfolk.

Open to view

From Mr George Ball

Sir, Crossing a bridge in a continental capital recently I was approached by a seafaring man who asked if I would like to take a sightseeing trip in a pleasure boat on the river.

His enquiry was made in perfect English and when I asked how he knew it was my native tongue he said it was obvious. "It was written all over me," were his words.

I declined the offer and heard him asking other people in a variety of languages.

Sir, how does one recognise the various nationalities at sight?

Yours faithfully,

GEORGE BALL,

The Wall House,

Wimborne Road,

Dorset.

Slow in coming

From the Managing Director of the Fort George Hotel, Belize City

Sir, The small quantity of catering equipment which I ordered while in London before Christmas has yet to reach these shores.

A similar small quantity of catering equipment ordered from the United States on May 19 arrived on May 30.

Should these facts unduly influence my purchasing policy for the remainder of the year?

Yours faithfully,

A. P. HUNT,

Managing Director,

Fort George Hotel,

PO Box 321,

Belize City,

Belize,

Central America,

June 6.

ON THIS DAY

JULY 1 1980

Independence flourished on June 30, 1980 when three countries acquired republican status: Congo (now Zaire), Ghana, which in 1957 had changed its name from Gold Coast on becoming a dominion of the UK, and Somalia, which Italy had held since 1950 as a trusteeship authority.

[CONGO INDEPENDENCE]

From Our Correspondent

LEOPOLDVILLE, June 30

Independence day in the Congo was marked today by a surprising speech by Mr. Lumumba, the new Prime Minister, criticising Belgium's colonial record in the country. King Baudouin was one of those who listened to the speech in the Parliament building, where both Houses, foreign guests, and several Belgian Ministers had gathered for the signature of documents ending the 75 years of Belgian rule.

LEOPOLDVILLE, June 30. — Mr. Lumumba said in his speech that while independence had been proclaimed in agreement with Belgium "no Congolese worthy of the name will ever be able to forget that this independence has been won through a struggle, an ardent and idealistic struggle from day to day in which we did not spare our energy or our blood."

FATE OF PRISONERS

"We have experienced contempt, insults and blows endured morning and night; we knew law was never the same for the whites and blacks."

He said the fate of political prisoners was "really worse than death". Who could forget "the hangings and shootings in which perished so many of our brethren?" he asked. "Who could forget the goals into which were brutally flung those who had escaped the bullets of the soldiers who had become the tools of colonialist domination?"

After the speech some Belgian officials speculated that the attack might lead King Baudouin to cut short his visit. But later Mr. Lumumba praised the king and his country at an official dinner in the gardens of the Palais de la Nation, and said he hoped his earlier speech would not be misunderstood.

"The Government," he said, "wishes to give its solemn respect to the King of the Belgians and the noble people he represents for their work accomplished here during the past 75 years, because I should not like my feelings to be misinterpreted." This was warmly applauded by the Congolese leaders.

At the signing of the declaration of independence President Kasavubu paid tribute to King Baudouin's solicitude and wisdom in not opposing the march of history. Belgium, he said, gave "an unprecedented example in history of peaceful de-colonization, leading our country directly, without transition, from foreign rule to independence under full national sovereignty."

[GHANA REPUBLIC]

ACCRA, June 30

At midnight tonight Ghana became a Republic and rule of the British Crown here ends. Today Parliament was prorogued for the last time by a Governor General and on Monday Dr Kwame Nkrumah, the first President of Ghana, will open the first session of Ghana's Republican Parliament.

SOMALI PROCLAMATION

MOGADISHU, July 1 (Friday).

The new Somali Republic was proclaimed today just after midnight, as

LEGAL APPOINTMENTS

CLIFFORD-TURNER

Intellectual Property Lawyers

To meet and sustain the growth of the firm's intellectual property and anti-trust litigation department, we are looking to recruit a further recently qualified Solicitor.

We deal with all aspects of contentious patent, copyright, trade mark, trade secrets and EEC competition cases with a wide variety of subject-matter.

You will be expected to undertake considerable responsibility at an early stage and be prepared to travel at short notice. Salary and benefits will reflect this level of commitment.

Newly qualified solicitors as well as those with up to 2 years' experience will be considered. Although experience in this field and a technical background are desirable, neither are essential provided the applicant has a good grasp of Court procedure, commercial awareness and is both literate and numerate.

Please reply, with a curriculum vitae, to:

Stephen Aldred
Clifford-Turner
Blackfriars House
19 New Bridge Street
London EC4V 6BY

CLIFFORD-TURNER

London, Paris, Brussels, Amsterdam and Singapore
Associated firms in Riyadh, Tokyo and Madrid

Entertainment & Commercial Lawyers for expanding West End practice

Our client is a prestigious medium sized professional firm of solicitors in the West End of London. Due to a rapidly increasing range and volume of work in an invigorating environment, three additional qualified staff are required. Salary indicators are given below: for the right people salary is unlikely to be a limiting factor. Please write - in confidence - quoting appropriate reference and stating how the requirements are met, to David Bennell.

Entertainment Lawyer prospective partner : Up to £40,000

The firm's entertainment business is booming and an additional experienced person is required. Candidates should have three or more years' experience in at least one of the main areas of entertainment work - films, TV, video, music, theatre or merchandising. Success in this role could lead to early equity partnership. (Ref A43831)

Assistant Solicitor entertainment : c£20,000

Some previous entertainment experience is preferable for this position but is not essential. Candidates will have served articles with a reputable City or West End practice and have gained general commercial experience. (Ref A43832)

Solicitor/PA to Senior Partner c£20,000

This is an attractive opportunity for a commercial lawyer with a year or two post-qualification experience to work closely with the Senior Partner on business for key clients. (Ref A43833)

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL

LEGAL

McKenna & Co COMPANY/ COMMERCIAL

We are looking for Solicitors for our Company/Commercial Department.

The work of the Department is varied and demanding. It includes public company work, stock exchange transactions including circulars, admissions to listing and the USM, private company acquisitions and disposals, securities issues, banking and general financial and corporate advice.

You should have a good academic record, have been qualified for at least twelve months and have gained some relevant experience. The position offers a challenging opportunity and the prospects for successful candidates are excellent. A highly competitive salary and benefits are offered.

If you would like to know more about the opportunities which are available in this Department, please apply with full curriculum vitae, to R. H. Malthouse.

CORPORATE TAX

We are also seeking additional tax specialists for our Corporate Tax Department. The work involves advising on those areas of the firm's activities involving corporate aspects of a domestic and international nature.

Opportunities exist for those wishing to progress their careers in corporate tax and applications are welcome from solicitors with between 6 months' and 4 years' tax experience.

If you are interested would you please apply with full curriculum vitae, to B. A. R. Concanon.

McKENNA & CO
Inveresk House, 1 Aldwych, London
WC2R 0HR

BADENOCH & CLARK

PROPERTY - PARTNER W1 To: £35,000

Our client, a 4 partner firm based in Mayfair, offers a marvellous opportunity for an experienced property lawyer, aged 28-35, to join as a salaried partner. Ideally with City firm experience you will be required to develop a strong existing client base as well as generate further high quality business.

TAX ASSISTANT

Central London To: £16,000
Well established practice seeks two additional Assistants for their respective Tax departments. Candidates, who should be either Barristers or Solicitors, will have some exposure to Company and Commercial work although previous Corporate tax experience is not essential. Excellent client work and promotional prospects.

For details of these and other positions, contact John Cullen or Judith Farnes.

Legal and Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU Telephone: 01-583 0073

CORPORATE FINANCE

To: £25,000 + substantial benefits

We are recruiting on behalf of several leading Merchant Banks and Stockbrokers who are keen to augment their corporate advisory teams. Applicants should be recently admitted Solicitors in their mid to late twenties with experience of corporate - finance related transactions - gained in the company/commercial department of a substantial firm.

COMMERCIAL LITIGATION

EC2 To: £17,000
This medium sized City firm, with an expanding litigation department, is seeking to augment its team of lawyers with a young Solicitor with up to 3 years experience in this field. The successful candidate can expect a high level of responsibility and excellent career prospects with this progressive practice.

RUSSELL-COOKE, POTTER & CHAPMAN LINCOLNS INN

An opportunity to join an expanding practice offering high quality and demanding work. Fully competitive salaries with good prospects.

COMPANY AND COMMERCIAL

To deal with a varied work load for both public and private company clients. The ability to develop and extend existing areas of work is a key element in this challenging position. Ideally the applicant will have had two years good commercial experience since qualification preferably in the City but newly admitted Solicitors with relevant experience in articles will be considered.

COMMERCIAL PROPERTY

To assist in this department dealing with substantial and varied work involving developers, builders and investors. The position would suit a recently qualified solicitor.

Please write with CV to:

Peter Dawson
Russell-Cooke, Potter & Chapman
11 Old Square
Lincoln's Inn
London WC2A 3TS

YOUNG PROPERTY LAWYERS

Boodle Hatfield wish to recruit two solicitors to join their Property Department which continues to expand.

The successful applicants will have just completed their Articles or have been recently admitted and will have had good training either in or out of London and have a sound knowledge of property law. One will be closely assisting a Partner dealing with a wide range of general and commercial property transactions and the other will be a member of a group handling every aspect of residential and urban estate conveyancing.

Both solicitors will work in a good humoured environment and fully competitive salaries will be offered to the successful applicants.

Applications, accompanied by a full Curriculum Vitae, should be sent in confidence to: EJP Elliott, Boodle Hatfield, Brookfield House, 44 Davies Street, London W1Y 2BL.

BOODLE
HATFIELD

Commercial Conveyancer London W1

Over the next four years, Marks & Spencer will invest some £1,500 million on the biggest development and modernisation programme in the company's history. We plan the acquisition of edge-of-town sites and satellites of existing high street stores throughout the country.

We now seek a Commercial Conveyancer to join our in-house Legal Department at our Baker Street Head Office. After a short induction period, the successful candidate will assume a newly created role, working closely with our Estates Department in property acquisitions. As the development programme gathers momentum, he/she will assist in the creation of a new Conveyancing section which will form a permanent feature of our Legal Department.

The level of responsibility the post will carry is reflected in the

package we offer which includes a very attractive salary, company car, non-contributory pension scheme, free life assurance and participation in profit sharing after a qualifying period.

The successful candidate must have at least five years experience of commercial conveyancing since qualifying and impressive academic achievements. He or she will be capable of handling a large volume of high quality, high value transactions, will have a confident, personable manner, excellent negotiating skills, the ability to work within a team and to motivate others.

Please reply with details of your career and salary to date to Sally Moore, Management Recruitment Department, Marks & Spencer, Michael House, 57 Baker Street, London W1A 1DN. Ref: T1

MARKS & SPENCER HEAD OFFICE

LITIGATION to £30,000

Major manufacturing co. seeks Solicitor/Barrister for High Ct. and County Ct. litigation. Ind. Tribunal exp. an advantage.

We have been recruiting lawyers for industry, commerce and finance since 1973 and have placed lawyers with most major British and international companies. We also recruit for firms of solicitors in London and throughout the country.

All our consultants are qualified lawyers with many years' experience in recruitment.
74 Long Lane, London EC1 Tel: 01-606 9371

**CHAMBERS
& PARTNERS**

CONVEYANCER

OWEN WHITE, a large, progressive and expanding firm with 7 offices west of London, seeks an admitted or unadmitted Conveyancer at the Feltham Office capable of handling a large volume of residential conveyancing assisted by newly installed second generation computerised word processing function.

An attractive remuneration package will be offered including salary, quality car, running expenses and pension, unlikely to be worth less than £15,000.

Please apply: N Barnard Esq., Gavel House, 90-92 High Street, Feltham, Middlesex, TW13 4ES.
Tel: 01-890 2836

Shepherd Little & Associates Ltd Banking Recruitment Consultants

LEGAL APPOINTMENT - CAPITAL MARKETS to £25,000

A rare opportunity exists within a City-based International bank for a solicitor to join an expanding Capital Markets Department.

Candidates should be aged 24-29 and must have experience of issuing securities, ideally in the eurobond market. Full banking benefits apply.

Please contact Christine Clayton

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-636 1161

PROBATE TRUST & Tax
Solicitors LE Dorset to £18k
Mary Kay - Account Personnel
0435 815506

URGENT-LOOKING FOR Conveyancer
and/or CP work London & West Country. Mary Kay Ac.
0435 815506

YOUNG CONVEYANCER with
Maritime Law 20 Bands
West Sussex. Mary Kay Ac.
0435 815506

PENSIONS SOLICITOR

Boodle & Co. are
looking for a
comprehensive
substantial
experience.

The successful
candidate will
be responsible
for the
company's
pension
scheme.
Salary will be
the right
person.
If you are
interested

LEGAL APPOINTMENTS

Qualifying this year?

The City's revolution offers you rewarding career prospects

In today's business climate, with changes under way which will heighten London's position as one of the world's major financial centres, the City offers exciting opportunities for young solicitors qualifying this year.

As a leading firm of solicitors, our business has grown substantially in recent years, and our activities have broadened and deepened to cover many aspects of business and financial life.

Against this background we have specific vacancies for those with a good academic record and the energy, enthusiasm and ambition to make a career in the law.

If you feel you have these qualities and are currently in articles, in or out of London, we would like to hear from you.

We are looking for people to join our Company, Litigation, Property and Private Client Departments.

Acting for a wide range of clients you'll find the work both stimulating and challenging; and at times you could be involved with matters that are very much in the public eye.

If working in a friendly, professional environment in the City appeals to you, we offer you the opportunity to join a firm in which personal development is positively encouraged, and success is rewarded accordingly.

As a first step write with a full curriculum vitae to John Goble, our Senior Partner.

Herbert Smith

WATLING HOUSE, 35 CANNON STREET, LONDON EC4M 5SD.

OVERSEAS OFFICES: NEW YORK, HONG KONG AND PARIS.

SECURING YOUR FUTURE

You will know that our property department is one of the most active in the City, dealing with a wide range of transactions involving the acquisition, development and disposal of real property.

You may not know that we have formed a team of lawyers to work in the rapidly expanding area of property finance where some of the techniques of fund-raising familiar to the international capital market are now being introduced to domestic loan transactions.

If your commercial talents and aspirations are not easily contained by departmental boundaries, you can secure your future with us by successfully combining your interests in banking and property law.

If you are already (or would like to be) working in one or other of these areas and have the ambition and ability to succeed in both, telephone or write to Andrew Barrow at:-

Travers Smith Braithwaite,
6 Snow Hill, London EC1A 2AL.
01-248 9133.

TRAVERS SMITH BRAITHWAITE

Assistant Solicitor

Our client is one of the world's most successful electrical and electronic engineering companies. Its UK headquarters are West of London. An ambitious programme of expansion is currently taking place.

The Company Secretary's Department is responsible for providing a broad range of legal services to the UK Group of Companies.

An Assistant Solicitor is now required to work primarily on commercial conveyancing and civil litigation, with increasing involvement in other areas of company and commercial law.

Applications are invited from solicitors with at least one year's relevant post-qualification experience. Our client is offering an attractive salary c.£14,000 and a generous range of benefits.

Please send a full CV quoting ref 4409 to Sue Allen, Moxon Dolphin & Kerby Ltd, 178-202 Great Portland Street, London W1N 5TA. Please list any companies to whom you do not wish your application sent.

**MOXON
DOLPHIN
& KERBY LTD** EXPERIENCE & A REPUTATION

Articled Clerk

Brighton is a busy town which produces a wide range of legal problems for the Council. The Council has the usual district authority functions with a highways agency and interests in the racecourse, commercial airport and passenger transport. It has a large property portfolio and is particularly prominent in the tourism and entertainments field. All this will give an excellent start to an Articled Clerk seeking a career in local government.

Applications are invited from enthusiastic and hardworking graduates who have passed the Law Society's Final examinations or who are taking and are confident of passing them this summer. The appointment will be from a date to be agreed and, subject to passing the final examination, will be for a period of 2½ years with a commencing salary of £5,301 rising to £10,308 p.a. upon qualifications.

Application form and further details may be obtained from the Borough Secretary, Town Hall, Brighton, BN1 1JA. If you would like to discuss the post please get in touch with his Deputy, Mr. E. A. Davis, on Brighton (0273) 29881 Ext. 414.

Closing date: 18th July 1986

Borough of

Brighton

Brighton is a nuclear free zone.



WAKE SMITH & CO. CIVIL AND COMMERCIAL LITIGATION

The premature retirement of one of our litigation partners means that we have an immediate vacancy for a Solicitor wishing to specialise in high grade civil and commercial litigation, including employment law.

Ideally, you should have relevant experience in this field and the appetite for a substantial workload. Newly qualified applicants should not be deterred, however, if they are prepared to learn the necessary skills on the job. In any event, you will need ambition and energy to measure up to the standards of the Firm and the demands of the Department. For our part, the salary to be paid will reflect the responsibility of the position.

Please apply to John Gaunt, Wake Smith & Co., Telegraph House, Sheffield, S1 1SF.

LEGAL ASSISTANT Chief Executive & Town Clerk's Department. Scale 5/6 £8235 - £9906 (Pay Award pending)

An excellent opportunity exists for a Legal Assistant with conveyancing experience to pursue a worthwhile career in local government. The person appointed will be engaged primarily on general conveyancing and allied matters and the Council's substantial property interests and development programme ensures an interesting and varied workload.

Assistance with housing removal expenses in full. Flexitime. 37 hour week. Superannuation and Sick Pay Schemes.

Further details and an application form, to be returned by 23rd July 1986 may be obtained from the Personnel & Management Services Officer, Town Hall, Watford WD1 3EX. (Tel: Watford 40175 24 hour Answering).

(Ref: 024/86)

The Council is an Equal Opportunities Employer

BOROUGH OF WATFORD

BETTINSONS BIRMINGHAM COMPANY/COMMERCIAL SOLICITOR

Partner firm within central Birmingham wish to recruit an experienced Commercial Solicitor to assist in and expand this Department.

Attractive terms and early partnership prospects for the right applicant.

Please apply with C.V. to:

John Bettinson, 83-85 Newhall Street, Birmingham, B3 1LP

LAW WITH LANGUAGES

Old established Partnership with City and West End offices seek up to 2-year qualified SOLICITOR with good working knowledge of Spanish and French. Unusual and interesting position.

Contact: Mr. D. Cambridge 01-628 3255

Legal/Company Secretarial Assistant

London Salary Neg.

For a successful international industrial company engaged primarily in printing and electronics. It has a Group turnover of £310m and pre-tax profits of £48.3m.

Part of a small busy Head Office team you will provide a secretarial service to the Group.

Probably a graduate, you will have at least two years relevant Company Secretarial experience gained in a commercial environment with both UK and overseas interests. You are a good communicator with a friendly, confident personality and able to work effectively under pressure.

Salary is negotiable with good benefits.

Please write - in confidence - with cv and current salary to Lynne Stevens ref. A.21126.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL

CHARTERED SECRETARY

PENSIONS LAW SOLICITOR

City

Biddle & Co. are looking for an additional solicitor to join their busy and established team, which provides a comprehensive legal service for a wide range of substantial pension funds.

The successful applicant will be able:-

- to give clear and practical advice in all areas of company, contract, employment, tax and trust law relating to pensions
- to absorb and assess the implications of a mass of complex pensions legislation
- to draft creatively and precisely, often under considerable pressure.

Salary will be highly competitive, and prospects for the right candidate are excellent.

If you are interested, please write in confidence to:-

Hugh Arthur
Biddle & Co.
1 Gresham Street
London EC2V 7BU
Tel: 01-606 9301

BIDDLE & CO.

BROMLEY MAGISTRATES' COURT

TRAINEE COURT CLERK

Salary £6,810 - £7,206 p.a.
inc London Weighting

Applications are invited from young, qualified barristers or solicitors for this post which provides an excellent opportunity for the successful applicant to embark on a career in the Magistrates' Court. Articles can be offered to a suitable applicant. National conditions of service apply.

Application forms and a career guide may be obtained from me at the address below. The closing date for applications will be 18th July 1986

R. J. Haynes
Clerk to the Justices
The Magistrates Court, South
Street
Bromley, Kent, BR1 1RD
Tel: 01-466 6621

IRELAND Barristers

are required for the following positions in the Office of the Attorney General

A. DIRECTOR OF THE STATUTE LAW REFORM AND CONSOLIDATION OFFICE

Ten years practice as a Barrister in Ireland or the United Kingdom.

Salary: IRE£31,555

Experience in certain positions in the Civil Service in Ireland or the United Kingdom may be counted up to a maximum of five years for this competition.

B. ASSISTANT PARLIAMENTARY DRAFTSMAN

Eight years practice as a Barrister in Ireland.

Upper age limit: 45 years
Salary range: IRE£24,744-IRE£27,641

Experience in certain positions in the Civil Service in Ireland may be counted up to a maximum of four years for this competition.

Closing Date: 31st July, 1986.

Application forms and further details from:

The Secretary, Civil Service Commission,
1 Lower Grand Canal Street, Dublin 2.

6145G/cg

THE ARTS

Television
Walking
target

Now that the clamour of drums and horns and Molotov cocktails has faded on the ether, it is time to ask some awkward questions about the 1986 World Cup. And not so much "Why did John Barnes play only 15 minutes out of five games?" as "Why was the tournament staged in Mexico at all?"

Last night's *World in Action* (Granada) tipped a bucket of cold water over the perverted hyperbole of this staggeringly lucrative media event. The secondary target of their investigation was Horst Dessler, head of the sportswear giant Adidas and pioneer of the low-rise billboards that graced every stadium: their multinational sponsors together paid more for the privilege of bearing their brand names around the world than the television companies paid for the picture (when available).

But the prime enigma was the figure of Joo Havelange, for 12 years president of FIFA, "one of the most luxurious private clubs in the world". It cannot be denied that during his incumbency Dr Havelange has done a lot for football (to précis his own immodestly-phrased claim), and it might be charitable to complain that in the process he has also done a lot for his bank manager, what is both puzzling and disturbing is that the head of the world's most popular sport should make such a determined bid for the John Nott Challenge Trophy by walking out of Granada's interview not once but twice.

Was the good doctor a director of the insurance company which angled for a *busom* contract during the 1982 World Cup? Absolutely not. But here it was in black and white. "My secretary made a mistake," Walk-out. On his return he agreed that yes, he was a director of said company. And did he own the Brazilian television company that might do rather well in the event of the 1994 tournament being staged in that country? Second walk-out. As he put it, "I have my honour and my principles".

Equally honourable and principled (but with rather more bottle in the face of adversity) was Lucy Walker, the mountaineering heroine of *A Dangerous Kind of Love* (BBC2). Played with determined grace and exquisite nostrils by Jenny Seagrove, Lucy's first objective was to surmount the embarrassment of opening a drama series called *Mountain Men*, when — as Oliver Tobias, Dominic Guard and Michael Maloney kept pointing out — she was patently a woman.

The next impasse was Fay Weldon's ludicrous script, which showed every appearance of having been constructed from a kit and was surely not meant to be funny all the way through. After that, the *Matterhorn* was child's play.

Martin Cropper

Opera
Smart inventionDon Giovanni
Derngate,
Northampton

Pavilion Opera started up five years ago, unsubsidized, piano-accompanied, and selling about 80 tickets a night in the garden at Thorpe Tilney. On Saturday they performed to a healthy full theatre, with an orchestra and with Patrick Garland directing them.

The majority of their performances are still in country houses, and still piano-accompanied; and that, perhaps, is why their musical director, Bryan Evans, conducted as if the grass beneath his feet was actually the stage. Both Mozart's *dramma* and his *goccioso*, so elegantly turned by the Pavilion Opera Orchestra, sounded as balmy as the evening air.

What was going on at the players' side (the opera was given in the round, without a pit) was a different matter. A happy fusion of fast-moving, fast-thinking production ideas and equally shrewd casting ignited the work and confirmed that this company deserves larger audiences than its seat prices as yet generally permit.

With no sets, and little more than table and chair, food and

AMSTRAD Users
The Cherry Guide to word processing on the PCW 8586/8512 gives detailed step-by-step instructions and clear explanations which save much time and puzzlement for both learners and experienced users.
"One of the simplest and best helping hands." *Daily Mail*
Price £2.95, but write for details.
Cherry Guides (1), Broadwood, Linton, Devon PL16 0ER.

Galleries: John Russell Taylor finds British distinction at the Venice Biennale

Slipping so easily into the surreal

Allegedly, and no doubt understandably, there is a bitter rivalry in Venice between the old Biennale organization, now mounting its forty-second art jamboree, and the newly set-up exhibition centre at the Palazzo Grassi, which has been elaborately restored and funded by Fiat and is now embarking on an ambitious series of vast international shows under the direction of Pontus Hultén, erstwhile wizard of the Centre Pompidou. But curiously enough the theme show of the Biennale, *Arte e Scienza* (until September 28), which is spread over four different locations scattered around Venice, and the opening show of the Palazzo Grassi's new regime, *Futurismo e Futurismi* (until October 12), are so clearly and closely allied that they could have been deliberately designed as complementary experiences. And just to confuse matters even further, the Comune di Venezia, which is not necessarily all that cooperative with either body, has put on at the Ca' Pesaro a splendid exhibition of Paul Klee nelle collezioni private (until October 5) which also fits in perfectly. In Venice, such neat dovetailing must be a terrible accident.

The Biennale itself is the usual chaotic mixture of elements which seldom if ever come together into a single statement. Nor, probably, should they: not only would it be a miracle if the participating nations — some 40 of them — were to come up with some uniform view of what art this minute ought to be, but it would be deeply suspicious.

Sometimes there seems to be some attempt to fit in with the theme proposed by the main show. Two years ago the idea of art based on art was widely traceable even outside the Padiglione Centrale of the Giardini, but probably because it was just something in the wind at the time. This year one might imagine an attempt to fit in with the *Arte e Scienza* idea, particularly the *Arte e Scienza* section of it. But something so general — anything vaguely suggesting transmutation seems to have been let in, hence a lot of surrealism and generally fantastic art — can hardly help being echoed in various national pavilions; something would clearly be wrong if most of the Latin Americans and East Europeans did not slip into the surreal at the slightest provocation.

Given these reservations about the catch-all nature of the theme show, it must be admitted that it is the most entertaining and sometimes revelatory for many years. The organizers have managed to gather an extraordinary collection of distinguished works, mostly 20th-century, to illustrate the notion of transmutation, the influence of scientific experiment in colour, new definitions of space and perspective, and new frontiers in biology, and new frontiers in the art-lover's heart (not to mention the innocent leader's) is sometimes in his mouth at the casualness and precariousness of the way such treasures are exhibited, especially in the *Colore* section in the Palazzo, that seems to abash the Biennale not a jot.

Also, the Padiglione itself is looking rather splendid as a result of some exploratory work which has revealed in the Octagon the almost complete survival of Galileo Chini's original Symbolist murals of 1909, and this apt rediscovery has inspired a show devoted to Chini and his Italian contemporaries at the Ca' Corner della Regina, which also fits in with alchemy and points the way to Futurism.

Of the Futurismo e Futurismi show



The aviator as hero, with Chini looking to the speed and modernity of the Futurists in *La glorificazione dell'aviatore* (1920); and (below) detail from Erro's tribute to the grotesquerie of Alan Odie in *Odeoscope* (1982-83)



It is difficult to speak too highly. Of course one may take exception to its scenario, which starts with the Italian Symbolists and the Symbolist beginnings of such as Boccioni and Balla, pinpoints Divisionism as a specifically Italian phenomenon — which in a sense I suppose it was — and then leads us grandly up the staircase to the *piano nobile* of the Palazzo where Futurismo itself is spectacularly installed and chronicled. That done, on the second floor we get round to the Russian Suprematism and British Vorticism among various other analogous national movements.

The clear implication seems to be — or has certainly been taken to be — that Italy invented the future, and all these other distinct manifestations of the spirit of modernism are merely tributaries of the Italian main event. What Wyndham Lewis, who detested Marinetti and Futurism and inveighed against both in print, would have had to say about that one shudders to think. However, the British room does emerge extremely well from invidious comparisons, with Lewis himself and Nevinson of all people outstanding (surely it is high time for a real Nevinson retrospective in this country). And the Russians are more than capable of looking after themselves in any squabble about precedence — the great thing, clearly, is to be so good that it does not matter.

But, give the Italian Futurists their due, they do come out as a most impressive bunch. Most so, probably, Balla. Everything he did at least up to the early Twenties was extraordinary; perhaps his only drawback was that he failed to get killed in the First World War, like his nearest rival Boccioni, and lived on and on to fade into swirls of coloured cloud. But his Divisionist paintings are wonderful, his first Futurist paintings, like the dog in motion with apparently as many legs as a centipede, are deservedly the best remembered of the whole movement, and his innumerable tapestries, toys, knifwear and much else, tend to knock the contemporary and not so dissimilar Omega Workshop into a cocked hat.

Of the rest Boccioni is good, if a little strident (hardly a fault according to the Futurist ethos of desensitization). Severini is slight but extremely decorative, and the work of those less totally dedicated to fine art, like Depero in the poster and Prampolini in theatre design, leaves nothing to be desired for style or invention. The show can hardly help being a revelation to even the most jaded.

As for the national pavilions back in the Giardini di Castello and spilled out this year to the *Cordeiro dell'Arseale*, more spectacular wreck of a building (by the way), they are worth at least a quick canter

round, provided one is ready to be ruthless with the sub-standard. This alas this year includes the American pavilion, which is wholly occupied with an installation by the Grand Old Man of American sculpture, Isamu Noguchi, entitled *What is Sculpture?*, which seems really to pose the question. How little can you get away with and still be called sculpture? The shell-like marble slide outside is certainly impressive, but for the rest one mostly has the impression of having wandered unawares into a Conran lighting showroom.

The West Germans kept suspense high by not opening their pavilion, given over entirely to Sigmar Polke, until the last of the Press days, by which everyone was ready to find it the wonder of the age, though I must confess to thinking it empty and pretentious, with only one or two attractive grey paintings tucked away in the side rooms to recommend it.

More interesting by far is the French pavilion right opposite, done out by Denise Buron in stripes of various colours and various media, even to chipping away the plaster to the original brick in one room: cool, elegant and with the saving grace of humour. Elsewhere I liked the Greek C. Tsoclis, who makes nicely funny/minister use of dozens of taps running and of full-length figure paintings with video projection on top to make them move unpredictably; the Belgians Willy Helleweegen, who makes lovely abstracts out of hundreds of tiny glass phials end-up, and Francois Schuster, an "artistic" designer of strip cartoons with bags of style and absolutely no pretension; Melvin Charney, a Canadian who designs and sometimes builds pieces of elegantly fanciful architecture with no apparent purpose other than to please the eye; the Icelandic Erro, whose sources for his painted collages of modern pop culture include, rather unexpectedly, the English grotesque illustrator Alan Odie; and the Spanish Miguel Navarro, who makes miniature cities out of small pieces of industrial lead and zinc, as we saw recently here at the Serpentine.

But by general consent the most distinguished overall effect in the Giardini is produced by the British pavilion, devoted entirely to Frank Auerbach. A classical hang, against a grey chosen by the artist himself, and work of Auerbach's usual lofty standard, give the feeling of total control and command. The only pity is that we did not have the sense to do it ten years ago.



At the age of just 15 Charlotte Gainsbourg (right), star of *An Impudent Girl*, which opens in London on Friday, has been swept to an almost reluctant celebrity. Simon Banner reports

Growing fame, growing doubts

mour, sentiment and sympathetic observation. *An Impudent Girl* is distinguished not only by the performance of Charlotte Gainsbourg and other members of the young cast but also by the assured direction of Claude Miller. Previously an assistant to such directors as Bresson, Godard and Truffaut, Miller has now directed five films of his own, including, back in 1975, *The Best Way to Walk*, a considerable critical and commercial success, and a film which, like *An Impudent Girl*, also dealt with the theme of adolescence. Critics and public alike, however, seem to have agreed that *An Impudent Girl* is Miller's strongest film to date. It has won the Prix Louis Delluc as well as the French Ministry of Culture's Grand Prix National, and was judged "the best French film of the year" by *L'Express*.

Meanwhile, Charlotte Gainsbourg herself won the French Academy's award for Best Young Actress of 1986, while an even younger member of the cast, Bernadette Lafont, won the award for Best Supporting Actress. And, in the still buoyant French

he went, by chance, to see *Paroles et musique* without knowing there was an adolescent part in it. By the time he left the cinema he had realized that the heroine he had described was Charlotte Gainsbourg, both "physically and morally", as he puts it. "I thought that, if she couldn't play the part, we couldn't make the film."

Charlotte read the scenario and persuaded her parents to let her take the role, gladly agreeing to the condition that the filming would not interrupt her studies. "I don't think I want to be an actress anyway," she says, "because acting is not a very stable career, so I work hard at other things at school." For the moment, however, she has plenty of other offers of film work, insisting though, with the mark of a true professional, that she cannot "commit on them yet because none of the plans are fixed."

Claude Miller would like to work with Charlotte Gainsbourg again, because Charlotte, he says, getting the embarrassed girl to translate his French, "has an astonishing facility for taking a hint from a director and immediately assimilating it — it made her very easy to work with". And, having just had his biggest hit to date with *An Impudent Girl*, he is also well aware of Charlotte's box-office potential.

"Naturally I think the film's good," he says. "But, even so, I know that a lot of people came to see the film, at the start at least, mainly to see Charlotte — the daughter of Jane Birkin and Serge Gainsbourg, the girl who made such a strong debut in *Paroles et musique* and", he says, attempting some English of his own, "the girl who had just made a record with her father which was such a big, how do you say, 'hect'?" Which raises a rare smile from the impudent girl herself. "Hi!" she calls her director, "the record was a hit. Your English, c'est terrible!"

Concerts

A good idea goes slightly awry

Allen/Parsons
Covent Garden

It makes good sense, economically and physically, for a house to offer a solo recital to a singer who is at hand, having been around on its operatic stage for a week or two; and it is a practice of which Covent Garden frequently makes good use. But it is not such an unflattering good, idea artistically.

Thomas Allen finished his term as Onegin just a week ago, and on Sunday night stepped a little further forward into the Royal Opera auditorium for a recital of Schumann and Brahms. It was a puzzling evening.

In the *Dichterliebe* the voice seemed tentative and uneasy; in the Brahms the manner was laid back, almost nonchalant. The effortful yet under-projected expressive pointing of the Schumann had one wondering, indeed, whether vocal or physical unease were hampering interpretative response or vice versa.

As the evening wore on, though, it became clear that it was none of these things, quite. It was certainly not, though at times it may have seemed so, that Mr Allen had failed thoroughly to assimilate the chemistry between word and music. Moments like the hushed placing of each syllable at the very end of the *Dichterliebe*, and the integration of every passing thought into one long musical line in Brahms's "Wir sind da", were proof enough of that.

It was simply that Mr Allen was scaling down too much. In underestimating the degree and particular nature of projection demanded by these songs, he left us with an image seen through a glass darkly.

When it came to the encores, he was there, at last, face to face. Geoffrey Parsons, too, who had responded with accompanying which had verged on the mannered, found new spontaneity and new freshness in "Meine Liebe ist grün" and "Gehennas".

Hilary Finch

Shrewd planning

RPO/Previn
Festival Hall

Ingenious. To signify the end of this year's André Previn Music Festival, Previn himself conducted the Royal Philharmonic Orchestra in Strauss's autumnal Four Last Songs on Sunday evening. And then, possibly to hint at new beginnings, the same partnership, already proving a most fertile one, gave us Britten's *Spring Symphony*. It was not exactly an obvious combination.

If the programme-planners, thus showed a curious sense of humour, they also displayed canny business instincts by engaging Dame Kiri Te Kanawa, an inevitable puller of crowds (even from a certain football match), for the Strauss. Artistically, it was also an intelligent move. There were moments when the compass of Kanawa's voice prevented full tone-production in lower-lying passages, and occasionally she would make too light of what

should have been intense, particularly at the beginning of phrases. But, in spite of an urge to push the music onwards too frantically, Kanawa conveyed well the quasi-sexual luxuriance of the cycle, while at the top of its range the voice sounded gloriously rich and powerful.

Previn and the orchestra shaped their lines with an astute sympathy for Kanawa's various whims, and fully matched her for opulence. Both the horn and violin solos were handled with impressive sensitivity.

For the Britten, a patchy work whether you regard it as true symphony or as choral song-cycle, they were equally on their mettle. Sheila Armstrong and Philip Langridge entered into the prevalent exuberant spirit with the same unfettered vigour as the boys of King's College School Choir. But it was especially pleasing to hear the contralto of Christine Cairns, a voice blooming lavishly in its own springtime.

Stephen Pettitt

Cooling breezes

ECO/Tate
Elizabeth Hall/
Radio 3

After hearing the English Chamber Orchestra the other day in unhappy, obviously under-rehearsed circumstances, it was refreshing to witness their other, more aristocratic side in this distinctly summery concert, part of the final weekend of the André Previn Music Festival. Nothing was more like the sorely needed cooling breeze in its effect than Schumann's First Symphony, the "Spring". It is still fashionable to deride this piece for the composer's clumsy handling of orchestration and form. I really cannot see why.

Among its chief advantages are its infectious freshness, which, perhaps because of their very naivety, bear endless developmental repetition just as in Beethoven. Nobody could reasonably protest at Schumann's resourceful exploitation of his wonderful principal cune in the finale, or attack his orchestration of it, solid and biased in favour of woodwind and brass though it may be. The symphony also benefits from an unmistakable cross-fertilization from the

Lied, just as the orchestra, however difficult the resulting technical challenge, reaps a rich harvest from the influence of piano technique.

The ECO gave a scintillating account, marred only by the tiniest and understandable hint of scratchiness from the violins once or twice in that finale. They were also, on excellent form for the equally daunting orchestral role in Ravel's *G major Piano Concerto*. Yet surely the solo pianist, Cécile Ousset, might have given us a little more colour in her undoubtedly refined and where it needed to be, athletic playing. I would not really have thought that this work requires too much restraint.

There were some delicious orchestral solos, notably from the cor anglais (James Brown) and first trumpet (Edward Hobart), and Jeffrey Tate engendered a sharp rhythmic response in the outer movements. The same disciplined exuberance had earlier been apparent in Bizet's *Jour d'enfants*, here achieving exactly the right balance between whimsy and sentiment.

The concert, though given on Saturday, was broadcast on Radio 3 last night.

S.P.

THE SECOND CRAFTS COUNCIL OPEN

"musical
INSTRUMENTS"

AND THE FIRST PUBLIC SHOWING OF
THE DAVID BROWN COLLECTION

JUNE 18 AUGUST 1986

CRAFTS COUNCIL GALLERY
22 Waterloo Place, Lower Regent Street
London SW1E 4LN
Telephone 01-4739 6881
Thursday - Saturday 10-5
Sunday 2-5
Closed Monday
Ticket Price £5.00



David Brown's collection of musical instruments is the largest, most comprehensive collection of its kind. It contains many instruments of great historical and artistic value, including some of the finest examples of the lute, guitar, and other stringed instruments ever made.

Cabinet puts off radio changes

By Philip Webster
Chief Political Correspondent

Plans for a big shake-up of television and radio broadcasting have effectively been put off until after the next general election.

Mr Douglas Hurd, the Home Secretary, confirmed yesterday that the Government had abandoned the idea of an immediate experiment for a network of community radio stations.

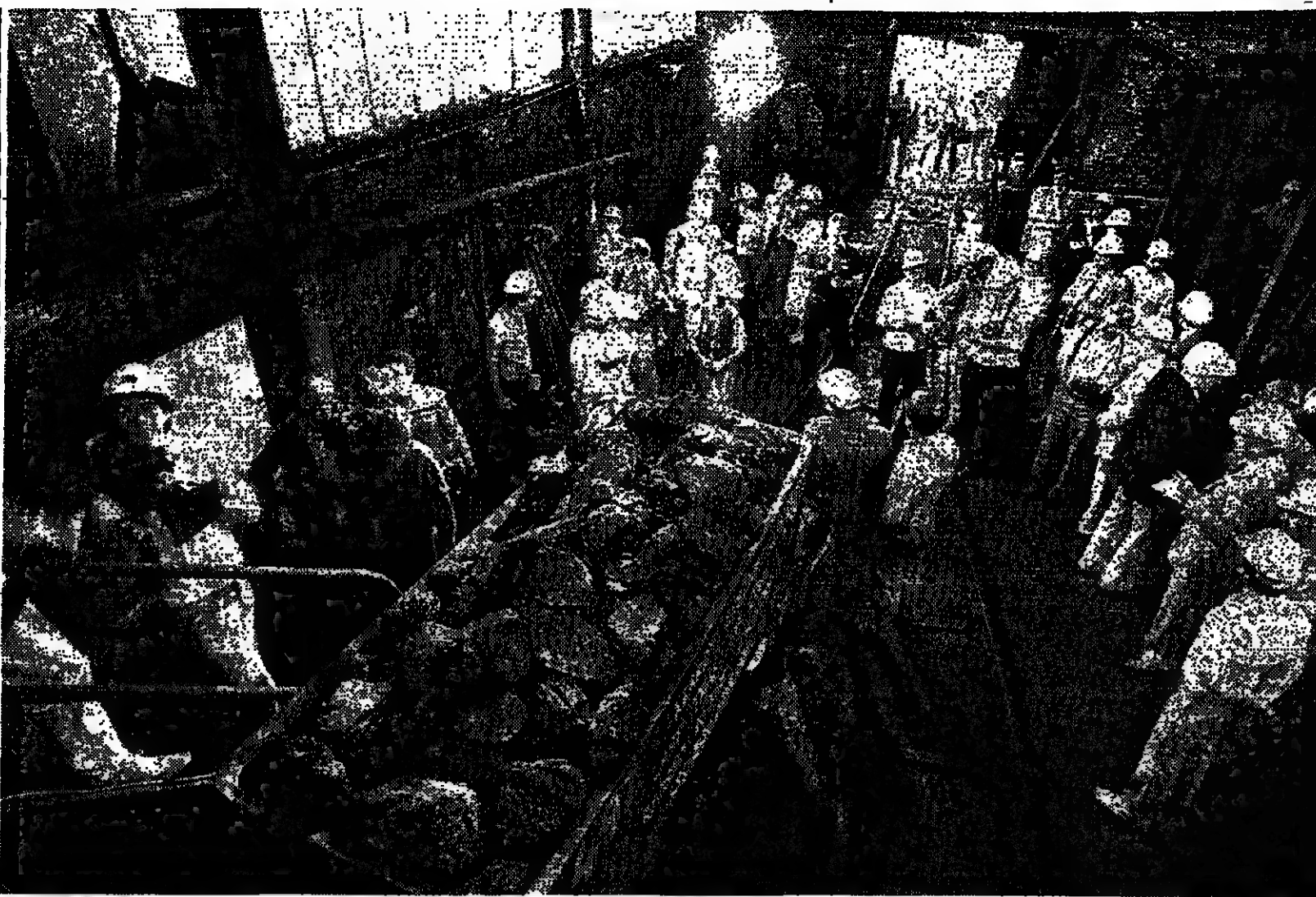
A green paper, to be published in the autumn, will contain proposals for the future of broadcasting, including community radio, and the proposals contained in the Peacock committee's report which is to be published on Thursday.

Government sources said that the delay meant any legislation on the Peacock committee's recommendations could not now realistically be expected before the next election.

The decision to put off the community radio experiment was taken last week by a Cabinet committee. Ministers were concerned there would have been no certain way of ensuring a minimum standards of objectivity and decency.

Mr Hurd said last night that he was conscious of the disappointment the statement would cause to some and of the effort which many people had put in. "Their efforts have shown that there is enthusiasm and constructive support for community radio and hope that we shall be able to devise suitable arrangements for it to take its part in our radio system."

Many of the recommendations of the Peacock committee, including the sale of all 15 independent television franchises to the highest bidders, the sale of BBC Radio 1 and 2, and the rejection of advertising on the BBC for at least a decade, have disappointed many ministers, including Mrs Thatcher. Some of them are unlikely to go much further.



More a wake than a party: the last train of coal mined at Maerdy colliery being given star treatment by the press yesterday. (Photograph: Harry Kerr)

Thatcher line praised by Pretoria envoy

Continued from page 1

within. He had warned him against the danger of a split. But he disclosed that Dr Kaunda had expressed the feeling that if the Commonwealth summit did not come up with sanctions there was no point in staying in.

"He said that he could not bear to sit again at a table with Mrs Thatcher if she vetoes Commonwealth action for a second time. It is a worrying matter that if Zambia decided to leave the Commonwealth a number of other African countries might do the same," Mr Healey said.

In a series of interviews and at a Westminster press conference, Mr Healey said that in South Africa the proposed mission of Sir Geoffrey to Pretoria was received with unanimous derision both by

supporters and opponents of apartheid. He had been told that no black leader would be prepared to talk to a member of Mrs Thatcher's Government in the present situation. "It is a hopeless and damaging mission," Mr Healey said.

Mr Worrall was unable to tell the present state of emergency would end. It was essentially a temporary measure intended to restore stability so the South African government and people could get on with reforming.

He insisted that the country was going through a period of major transition "from the apartheid of the past to a multi-racial future."

Farewell to Rhondda coal

By Tim Jones

The men dutifully smiled for the photographers but it was not much of a party. The miners of Maerdy knew an era was over and the very reason for their existence, for their small isolated community, and the once great valley in which it nestled was finished.

For the last lump of coal had been raised to the surface of the Rhondda Valley. An hour earlier, the coal had been cut from 1,140 ft below ground. Now its sheen reflected in the daylight to show off its quality. Statistics only serve to show that they were attending a wake. Two hundred years of tradition, 54 pits, horrible conditions, political battles, 40,000 miners and great unity.

There are now just 350 of them left at Maerdy. From today the coal they will be raised at the Tower colliery, in the Aberdare Valley, to which it is twinned underground.

During the miners' strike, Maerdy became a by-word for militancy but there was not much of the famous defiance in evidence yesterday. Although local union officials were present, no-one from the area leadership turned up.

Mr Ivor England, aged 50, who has worked at the pit for 28 years, said: "I am sad and bitter. My father worked at this pit and my son is here now. When I first came, there were 1,500 men but now we are down to just 350."

"We have got to face up to the fact that coal is finished in the Rhondda Valley. We have got to look to the future and somehow try to get new jobs or our young people will have no hope."

With unemployment at 30 per cent jobs are a tall order as the valley grew on the back of coal and it is off the beaten track for the new sunrise industries.

Mr John Davies, the mayor of the Rhondda, led his duty extolling the advantages of the valley, its amenities, beauty and willing workforce. "Any-one who says the Rhondda is finished doesn't know its people or its history."

Mr Allan Rogers, Labour MP for Rhondda, said: "We have got everything going for us. What we need is jobs."

Mr Eric Price, aged 38, the lodge secretary, had no doubts that the strike had been worth it. "Yes definitely, because I will be able to tell my three-year-old son that I fought for our jobs, our community, and his future," he said.

Proof that the Rhondda, once the powerhouse of the world, is not forgotten has come from requests from all over the world for lumps of Maerdy coal.

From today the Rhondda, which spawned socialism, faces an uncertain future. There is talk of tourism and high technology white-collar employment. The only certain fact is that King Coal will never reign again.

Letter from Mexico City

Mexico sobers up to harsh realities

The Mexican capital had a hung-over feeling yesterday morning as revelers from the night's numerous street fiestas woke up to find the World Cup circus had finally left town and Mexico was on its own again, face-to-face with a foreign debt and an internal crisis that will get worse before it can get any better.

City authorities organized a series of open-air parties on Sunday night with performances by musical bands and vigilance by thousands of police, there to ensure the end-of-the-World-Cup fun did not degenerate into the rioting which marked the "celebrations" in the first week of the tournament.

The police, as it turned out, successfully contained both the violence and the fun. The mood was not so much riotous as maudlin. The once-lusty cries of "Mexico! Mexico!" grew fainter, more ironic as the night wore on.

The World Cup had provided Mexicans with a respite and a distraction from their problems but not, as had been hoped, with a boost. Prices of food, transport and medicine are expected to go up dramatically in the coming days. Complex negotiations with foreign creditors, owed \$97 billion, will probably be resolved shortly, but in a manner likely to prolong the country's economic agony, deferring the day of proof when bankers and Government finally accept Mexico simply does not have the money, or the political legacy, to continue paying \$10 billion a year in debt interest abroad.

The World Cup may have proved beneficial for Mexican tourism but any profits there were will have been minimized by the substantial government outlay on security. At Sunday's final for example, as at the England-Argentina game last week, some 20,000 troops and police were in attendance.

Virtually all the money made in Mexico out of the World Cup went to the private television company, Televisa, the biggest in Latin America. Televisa contrived both to provide abysmally

bad coverage of the football, and charged the 150 or so international broadcasting companies who came to Mexico millions of pounds more than they had ever paid before to cover a World Cup.

Save perhaps for the two or three Mexican national team players expected to be bought soon by European clubs, Televisa were Mexico's only World Cup winners.

Among the losers is the Finance Minister, Señor Jesús Silva Herzog, who resigned in the second week of the World Cup for reasons ominously unexplained, and President Miguel de la Madrid. The prolonged jeering which accompanied the President's speech at the World Cup inauguration ceremony on May 31 was repeated at the closing game on Sunday when he took his seat in the Azteca Stadium. No longer able to believe those of his advisers who assure him of his popularity, the Mexican President now has to cope with an economic headache whose negative political impact, it is widely believed, will be accentuated by the widespread sense of post-World Cup depression.

Elections for governors in the northern state of Chihuahua this Sunday are being watched anxiously in the United States, ever more keenly aware of the crisis on its southern border. The way the elections are conducted—in other words, how much vote-rigging and intimidation goes on—is expected to show that current levels of discontent in Mexico are high.

President de la Madrid's controversial decision three years ago to agree to Mexico joining the World Bank is said to have been founded in large measure on the calculation that, in the absence of bread, a little circus might prove to the Government's political advantage.

The tactic has backfired, the pomp and drama of the World Cup having served above all to emphasize to Mexicans the abyss that separates illusion and bleak reality in their country.

John Carlin

THE TIMES INFORMATION SERVICE

Today's events

Royal engagements

The Duke of Edinburgh, President, the National Playing Fields Association, visits the NPFA offices, 25 Ovington Sq, SW3, 3.30.

The Prince of Wales attends the Redesign of Design conference, Royal College of Arts, Kensington Gore, SW7, 9.30.

Prince Edward visits Guernsey and Jersey and carries out engagements in connection with the 30th anniversary Tribute Project of the Duke of Edinburgh's Award, arrives Guernsey airport, 11.45.

Princess Anne, President of the Missions to Seamen, attends their annual meeting, St Michael Palmerston Hotel, EC4, 11.30.

Princess Alice, Duchess of Gloucester, Colonel-in-Chief, Royal Corps of Transport, visits the Training Group RCT, Aldershot, 11.

The Duke of Kent attends a ceremony at Chislehurst to commemorate the 70th anniversary of the Battle of the Somme, departs RAF Northolt, 7.50.

State Visit

The President of the Federal Republic of Germany and Freifrau von Weizsacker arrive for a State Visit and are met by Princess Margaret, Gatwick airport, 11.35. The President then inspects the Royal Air Force Guard of Honour. The Royal train departs from Gatwick, 11.50, arriving at Victoria Station, 12.30, where they are met by the Queen and the Duke of Edinburgh and other members of the Royal Family; a Royal Salute will be fired by the Honourable Artillery Company, Tower of London.

Carriage procession leaves Victoria Station for Buckingham Palace, 12.30, via Wilton Road, Victoria Street, Parliament Square (West and North sides), Parliament Street, White-

hall, Admiralty Arch and The Mall, arriving at the Grand Entrance, Buckingham Palace, 1.

The President and Freifrau von Weizsacker visit Westminster Abbey, where the President lays a wreath on the Grave of the Unknown Warrior, 4.30; later, accompanied by Freifrau von Weizsacker, he receives an address of welcome from the Lord Mayor and Councillors of the City of Westminster, St James's Palace, 5. State Banquet, Buckingham Palace, 8.30.

New exhibitions

Durham University: its teaching, research, history and student life. The Exhibition Hall, Palace Green, Durham City: Mon to Sat 11 to 4, Sun 2 to 4 (ends Aug 31); checked (ends Sept 28).

Alan Cotton: oils and pastels; New Gallery, Abbe Tree House, 4 Fore St, Badleigh Salterton, Devon: Wed to Sat 10 to 5 (ends July 12).

Exhibitions in progress

Drawing on the Thirties: etchings and watercolours by Edgar Holloway and William Wilson; The Open Eye Gallery, 75 Cumberland St, Edinburgh: Mon to Fri 10 to 6, Sat 10 to 4 (ends July 17).

Sculpture by Susanna Heron; Plymouth Arts Centre, 38 Looe St, Plymouth: Mon 10 to 5, Tues to Sat 10 to 8, Sun 5 to 8 (ends July 19).

Organ recital by Gethin Davies-Jones; Bangor Cathedral, 1.15.

Organ concert by Graham Matthews; Sheffield Cathedral, 8.

Organ recital by David Saint; St Martin's, Scarborough, 7.30.

Concert by the Brandon Green Chamber Choir and Orchestra; Bristol Cathedral, 1.15.

Concert by the English String Orchestra; Gloucester Cathedral, 7.30.

Concert by the Halle Orchestra; Free Trade Hall, Manchester, 7.30.

Concert by Bradford University Chamber Choir; City Art Gallery, Exhibition Sq, York, 12.30.

General

Book Market, Chantry Hall, Norwich, 10 to 5.

The pound

	Bank	Bank
Australia \$	2.29	2.29
Austria Sch	24.52	24.52
Belgium F	72.30	72.30
Canada \$	2.195	2.195
Denmark Kr	12.97	12.97
France F	240.00	240.00
Germany DM	11.15	11.15
Greece Dr	217.00	217.00
Hong Kong \$	1.23	1.23
India Rupee	11.33	11.33
Italy Lit	263.00	263.00
Japan Yen	3.74	3.74
Netherlands Gld	11.33	11.33
Norway Kr	235.50	235.50
Portugal Esc	4.82	4.82
Spain Ptas	222.50	222.50
Sweden Kr	11.36	11.36
Switzerland Fr	2.475	2.475
USA \$	1.56	1.56
Yugoslavia Dnr	625.00	575.00

Rates for small denominated bank notes only as supplied by Barclays Bank PLC. Different rates apply to travellers' cheques and other foreign currency business.

Retail Price Index: 286.0

London: The FT Index closed up 12.7 at 1357.1.

TV top ten

National top ten television programmes in the week ending June 22:

1. *Eastenders* (Thurs/Sat), 18.50m
2. *Eastenders* (Thurs/Sat), 17.10m
3. *World Cup Grandstand* (Sun), 15.35m
4. *News* (Sun) 14.90m
5. *World Cup Grandstand* (Sat), 11.80m
6. *Westminster*, 11.80m
7. *That's Life*, 10.20m
8. *World Cup Grandstand* (Wed 18.30), 9.80m
9. *The Bob Monkhouse Show*, 9.70m
10. *Coronation Street* (Wed/Thurs), 9.70m
11. *Coronation Street* (Mon) Granada, 9.70m
12. *News at Ten* (Wed) ITN, 9.50m
13. *Coronation Street* (Thurs) Granada, 9.50m
14. *Emmerdale Farm* (Tues) Yorkshire, 9.50m
15. *World Cup '86* (Mon) ITV, 9.50m
16. *A Very Peculiar Life*, 8.50m
17. *News at Ten* (Thurs) ITN, 8.50m
18. *World Cup '86* (Thurs) ITN, 8.50m
19. *World Cup '86* (Thurs) ITN, 8.50m
20. *World Cup '86* (Thurs) ITN, 8.50m

1. *A Very Peculiar Life*, 8.50m

2. *News at Ten* (Thurs) ITN, 8.50m

3. *World Cup '86* (Thurs) ITN, 8.50m

4. *World Cup '86* (Thurs) ITN, 8.50m

5. *World Cup '86* (Thurs) ITN, 8.50m

6. *World Cup '86* (Thurs) ITN, 8.50m

7. *World Cup '86* (Thurs) ITN, 8.50m

8. *World Cup '86* (Thurs) ITN, 8.50m

9. *World Cup '86* (Thurs) ITN, 8.50m

10. *World Cup '86* (Thurs) ITN, 8.50m

11. *World Cup '86* (Thurs) ITN, 8.50m

12. *World Cup '86* (Thurs) ITN, 8.50m

13. *World Cup '86* (Thurs) ITN, 8.50m

14. *World Cup '86* (Thurs) ITN, 8.50m

15. *World Cup '86* (Thurs) ITN, 8.50m

16. *World Cup '86* (Thurs) ITN, 8.50m

17. *World Cup '86* (Thurs) ITN, 8.50m

18. *World Cup '86* (Thurs) ITN, 8.50m

19. *World Cup '86* (Thurs) ITN, 8.50m

20. *World Cup '86* (Thurs) ITN, 8.50m

Roads

The Midlands: A5: Major roadworks at Weston under Lizard: delays between Telford and M6 (junction 12).

Wales and West: M5: Contrail between junctions 8 and 10 (M50 and Cheltenham); avoid. A39: Delays in both directions between Kilkhampton and Bideford. A5: Temporary lights control traffic at Maerdy Bridge, Cwtyd.

The North: A1 (M): Contrail between Aycliffe and Burtree. Co Durham: delays at peak times. A54: Roadworks on new bypass at Kelsall Hill, Cheshire; care required. A19: Roadworks northbound on Thirsk bypass, York; possible delays.

Scotland: A92 (Aberdeen): Delays in Eilon Rd at North Doniside Rd roundabout. A75: Single line traffic at Threave Bridge, Kirkcudbright; caution required. A915: Construction of Windygates bypass. Five long delays at peak times.

Information supplied by AA

Anniversaries

Births: Gottfried Leibniz, metaphysician, Leipzig, 1646; George Sand, novelist, Paris, 1804; Louis Blériot, aviator, first to cross the Channel in a heavier-than-air machine, Cambrai, France, 1872.

Deaths: Harriet Beecher Stowe, philanthropist and novelist (*Uncle Tom's Cabin*), Hartford, Conn., 1896; George Watts, painter, Compton, Surrey, 1904; Erik Satie, composer, Paris, 1925; Léon Daudet, novelist, Saint-Rémy de Provence, 1942; Juan Perón, President of Argentina, 1946-55; Bruno Aires, 1974.

Dominion of Canada established, 1867. Investiture of the Prince of Wales at Caernarvon Castle, 1969.

Weather forecast

A slack area of high pressure will cover the British Isles, between an anticyclone over the North Sea and another over the Bay of Biscay. A frontal trough will approach Northern Ireland later.

6 am to midnight

London, SE England, East Angles: Mainly dry with sunny intervals; wind light and variable; max temp 25C (77F).

Central & NW England, Midlands, Lake District: Mainly dry with sunny intervals developing; wind light and variable; max temp 23C (73F).

Central & NE England, Borders, Edinburgh, Dundee, Aberdeen, Central Highlands, Moray Firth, NE Scotland: Mainly dry, sunny intervals, a few coastal fog patches; wind light variable; max temp 22C (72F).

Channel Islands, SW England, Wales, Isle of Man: Dry with sunny intervals; wind light and variable; max temp 26C (80F).

SW, NW Scotland, Glasgow, Argyll: Mainly dry with sunny intervals developing; wind light and variable; max temp 21C (70F).

Orkney, Shetland: Dry with sunny intervals, but some coastal fog patches; wind SE light; max temp 15C (60F).

Northern Ireland: Dry, sunny intervals but becoming cloudy with perhaps some rain later; wind S light becoming moderate; max temp 19C (66F).

Outlook for tomorrow and Thursday: Sunny periods and a few showers. More cloud and rain in the W later. Mostly warm.

Sun rises: 4.47 am. Moon sets: 9.21 pm. Moon phase: 19 am. 4.05 pm.

Lighting-up time

London 9.51 pm to 4.18 am. Belfast 10.32 pm to 4.02 am. Manchester 10.11 pm to 4.15 am. Penzance 10.05 pm to 4.47 am.

Yesterday

Temperatures at midday yesterday: C. cloud: f, fair; r, rain; s, sun.

Belfast: 21.70 Germany: 19.50
Birmingham: 20.68 Netherlands: 21.70
Blackpool: 23.73 Jersey: 21.59
Bristol: 21.70 London: 22.79
Cardiff: 15.59 Manchester: 21.72
Edinburgh: 14.57 Newcastle: 14.57
Glasgow: 20.68 Plymouth: 19.66

Pollen count

The pollen count for London and the South-east issued by the Asthma Research Council at 10 am yesterday was 89 (high). Forecast for today, similar. For today's recording call British Telecom's Weatherline: 01-246 8091, which is updated each day at 10.30 am.

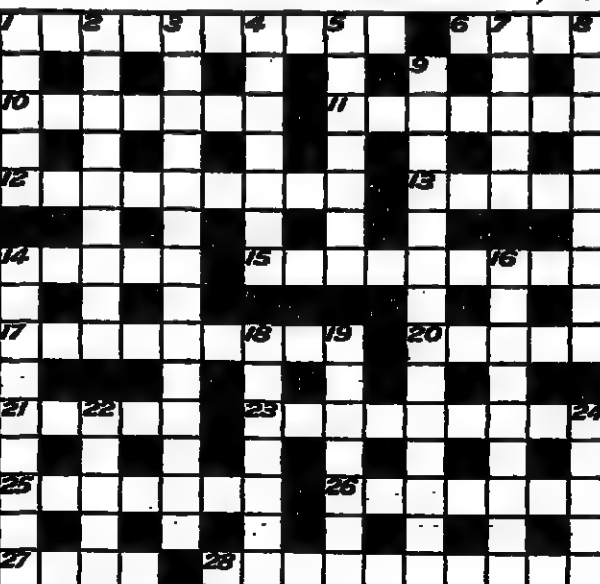
Parliament today

Commons (2.30): Conclusion of debate on defence.

Lords (2.30): Gas Bill report, first day.

OTMETS: NEWSPAPERS LIMITED. 7500, printed by London Post (Printers) Limited, 1, Virginia Street, London E1 6JL. Tuesday, July 1, 1986. Registered as a newspaper at the Post Office.

The Times Crossword Puzzle No 17,086



ACROSS

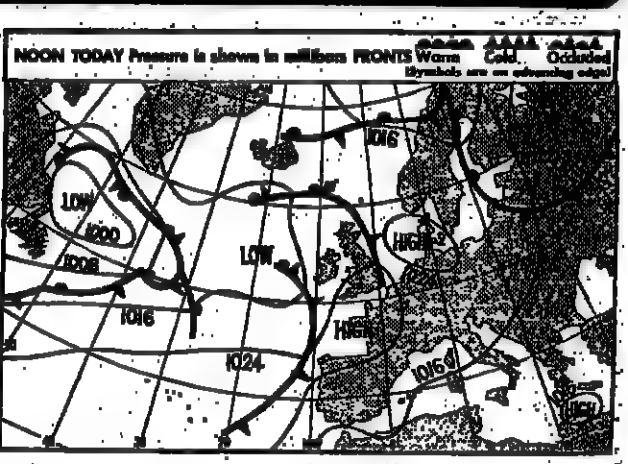
- 1 Birds go round a corner and make a rude gesture (4,1,5).
- 2 Joint author (4).
- 3 Vessel making a number in America almost sick (7).
- 4 Replaced three of the soldiers as a result (9).
- 5 The fold — the Church — shows little change (5).
- 6 Ironed in war takes the biscuit (5).
- 7 Gloomy, suffering from lead-poisoning (9).
- 8 Revert to type, as Rugby players must (5,4).
- 9 Make a speech using flowery language without a note (5).
- 10 Composer in a tangle (5).
- 11 Eating somewhere else, as complaint follows noise at home (6,3).
- 12 Hunter's performance taking a long time (7).
- 13 Char makes me react badly (7).
- 14 Repeat some choice excerpt (4).
- 15 A distance, but little creature covers it (5).
- 16 Picked up as necessary (6-3).
- 17 Rook moves like this, in a straight line (2,3,4,5).

DOWN

- 1 A distance, but little creature covers it (5).
- 2 Picked up as necessary (6-3).
- 3 Rook moves like this, in a straight line (2,3,4,5).

Concise Crossword, page 10

Solution to Puzzle No 17,085



High Tides

bc-blue sky; bc-blue sky and cloud; c-cloud; c-overcast; MoS-Moss; G-grizzle; R-rain; m-mist; dr-dew; s-snow; U-understorey; p-showers; W-wind; W-wind direction; W-wind speed (mph) circled; T-temperature.

FINANCE AND INDUSTRY

City bets on a Woolworth win and shares slump 45p

By Alison Eadie

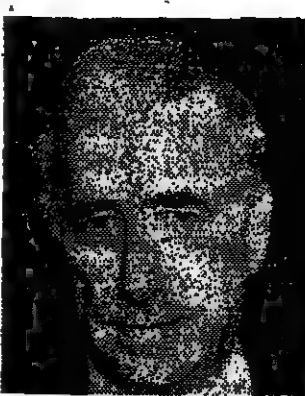
The share price of Woolworth Holdings plummeted 45p to 690p yesterday, as the market decided that Dixons Group was unlikely to win the £1.8 billion takeover battle.

Dixons shares lost 6p to 330p on fading hopes of securing the largest prize in British retailing.

Despite the market's view, institutional shareholders contacted by *The Times* said they thought the outcome would be close and could go either way.

There were no further declarations of support for Woolworth, whose chief executive is Mr Geoffrey Mulcahy, after Robert Fleming's statement on Friday night that it would not be accepting Dixons offer. It is expected that the majority of the institutions, who supported the Paternoster buyout in 1982 and put in the present Woolworth management, will back the board. They account for between 30 and 35 per cent of Woolworth's shares.

Dixons, whose chairman is



Stanley Kalms: More than 20 per cent of shares

Mr Stanley Kalms, already speaks for more than 20 per cent, including the majority of Warburg Investment Management's 13 per cent stake, leaving 45 to 50 per cent of the shares to play for.

Dixons corporate finance director, Mr Gerald Corbett said: "If the bid lapses, there will be a stampede out of Woolworth shares. Institutions want to make money for their clients and they want a top retail team at Woolworth. The canvass of the shareholders



Geoffrey Mulcahy: Woolworth confident of victory

er list confirms this, which is why we are so optimistic for Wednesday.

A Woolworth director, Mr Nigel Whitaker, replied: "No one is going to be taken in by Dixons' blustering. We never count our chickens too soon. It could be close, but we think we are going to win."

City stockbrokers were also dividing in opinion on the final stages. Mr Nick Bubb, retail analyst with Scrimgeour Vickers, said he felt Dixons had done just enough to

deserve to win. Dixons had the right ideas and the right skills.

However, another large City stockbroker, which preferred not to be named, advised clients against accepting the bid as it did not believe Dixons had done a sufficiently convincing job of putting across its strategy.

Analysts pointed out that Dixons had won against difficult odds before. In the Currys takeover, 34 per cent of the shares were held by the family and 25 per cent by small shareholders, who tend to support the board.

Dixons, which bought shares in the market last week to take its holding up to 5.2 per cent, appeared not to be buying yesterday, despite the falling share price. This was interpreted in some quarters as a lack of confidence in the outcome of the bid.

Dixons paper offer is worth 803p per Woolworth share and its partial cash alternative is worth 798.4p.

Beating a predator, page 23

Next makes £299m agreed bid for mail order firm

By Teresa Poole

Next, the fast-growing fashion and home furnishings retailer, yesterday promised a new concept in catalogue selling after launching a £299 million agreed bid for Grattan, the Bradford mail order company.

Mr George Davies, the chief executive who devised the successful Next philosophy, said: "We are going to give the public a totally different perspective and concept of home shopping."

The Next chain of stores has expanded rapidly over the past four years after identifying a gap in the market for clothes aimed at young professional women.

Mr Davies said yesterday that there was an even greater gap in the home shopping market which still tended to have a downmarket image in Britain. He added: "I feel as

delighted and excited with the potential of this deal as I did the day we launched Next."

Both companies stressed that the deal was a merger which would bring together Next's design and marketing strengths with Grattan's experience in mail order and direct marketing.

Several catalogues will be launched under the Next name in time for the 1987 autumn season and Grattan's sophisticated computer systems are expected to improve Next's customer analysis and stock handling capabilities.

Mr David Jones, the deputy chairman and managing director of Grattan who will be appointed deputy chief executive at Next, said that the merger would help his company improve the range and presentation of its catalogues. There is no intention at

present to sell Next products through Grattan.

The merger will also create a major retail finance group through the combination of Next's Club 24 credit card and Grattan's Westcot credit referencing subsidiary.

Unusually, following a 12p fall in Next's share price to 252p, the terms of the share offer are worth less than the cash alternative. The 21 for 10 share swap values Grattan shares at 529p compared with the 540p cash offer. Grattan gained 76p to 530p, compared with 404p at the beginning of last week before bid rumours emerged.

Next yesterday forecast a rise in profits from £20.1 million to £27 million for the year to the end of August. Grattan recently announced an improvement from £9.6 million to £16 million for the year to the end of January.

£95m share slip-up at Lloyds

By Cliff Feltham

An embarrassed Morgan Grenfell, the merchant banking group, was last night forced to change the basis of allocation for shares in its flotation after disclosing that applications for £95 million of shares had gone missing.

The astonishing slip-up was being blamed on Lloyds Bank, who handled the applications for the near £800 million issue.

A statement from Morgan Grenfell said that Lloyds Bank "failed to take into account a batch of applications when advising Cazenove and Co of the total applications received."

Later Mr Guy Dawson, a Morgan Grenfell director, said the whole affair was "most unfortunate."

He said: "Apparently, there were a small number of applications, about 50 in all, which did not get counted for one reason or another. But these applications involved very large sums of money. It is extremely annoying but it does not affect the offer."

Lloyds Bank informed us as soon as they realized what had happened."

Mr Dawson, who admitted the fees of a handling bank were substantial, would not comment on the possibility of Morgan Grenfell withholding part of the fees.

The applications involved were for 16.1 million shares at a tender price of 50p, and 3.1 million shares at a price of 30p. As a result the offer was oversubscribed 4.7 times and not 4.5 times as previously announced.

The revised allocation involves a scaling down at the top end of the market, with applicants for between 1,000 and 95,000 shares now receiving 21 per cent and not 25 per cent. Investors seeking more than 95,000 shares will receive 20 per cent as opposed to 22.5 per cent.

Dealings in the shares are expected to start on Thursday.

TV South profits leap 91%

By Richard Lander

A strong recovery in net advertising revenue and growth in foreign programme sales helped interim pretax profits at Television South grow by 91 per cent from £3.4 million to £6.5 million in the six months ending April 30.

Income from advertising rose to £58.3 million from £47.1 million in the same period a year earlier.

Foreign sales jumped from £300,000 to £2.9 million including income from *Strong Medicine*, a mini-series which is to be transmitted on the ITV network this year.

The four-hour drama, which will cost TVS about £4½ million to produce, was mainly responsible for programme transmission costs rising from £28.9 million to £37.2 million in the first half.

Payments on the Exchange levy for ITV companies rose from £2.6 million to £4 million calculated on the same basis as last year. The profits increase meant that earnings per share almost doubled from 7.5p to 14.3p, while the interim dividend was raised from 2p to 3p. Although the results were in line with most City estimates, TVS shares rose 15p to 278p yesterday.

Midland Bank to start own discount house

By David Smith, Economics Correspondent

Midland Bank is to set up its own discount house through its Greenwell-Montagu gilt-edged market-making subsidiary.

The rationale for the move is the eventual merging of the roles of discount houses and market-makers in government securities.

Midland announced yesterday that a new money markets unit has been established within Greenwell-Montagu Gilt-Edged Ltd. The unit is headed by Mr Julian Beaven, an assistant director of Samuel Montagu.

It will be operated as an arm of Samuel Montagu until big bang on October 27, and will be fully integrated into the gilt-edged market-maker then. The unit will seek official discount house status. The unit is to make two-way

prices in all market conditions in the full range of sterling money market instruments, Midland Bank said.

Many of the existing discount houses, with their special dealing relationship with the Bank of England, will be separately capitalized subsidiaries of gilt market-makers from October, as a result of groupings in the City before big bang. Now, market-makers, it appears, will also be endeavouring to establish discount houses of their own.

The Bank of England's prime requirements for granting discount house status to the Midland subsidiary will be evidence of a willingness to make a market in all conditions, and strict separation of the fledgling discount house from the Midland's other money market operations.

Boom time for shop developments

Retail property is undergoing its most fundamental change since the war with a trebling of the amount of floorspace proposed in the last 18 months.

This brings the total for this year so far to 47 million sq ft compared with 15 million sq ft in 1984, according to research

by Hillier Parker, the chartered surveyors.

The shift to out-of-town development is highlighted by the dramatic rise in plans to build more than 30 million sq ft of such space, a 600 per cent rise since 1985.

And Hillier Parker says that 80 per cent of the applications for shopping schemes since

March this year have been for out-of-town developments.

Town centre developments are soaring too on the back of strong retail rents.

Town centre schemes under construction or with planning consent totalled 22 million sq ft by March this year compared with 9 million sq ft out-of-town.

Opec agrees quota system to force up world oil prices

From David Young, Beirut, Yugoslavia

The Organization of Petroleum Exporting Countries has reached agreement on an output quota system intended to force up world oil prices.

However, it will be almost a month before the individual quotas are finalized, although the overall output ceiling is widely acknowledged to have been set at about 17.7 million barrels a day, and each country has been allocated a firm quota within the overall output figure.

Opec is to meet again in Geneva on July 28 to give the 13-member nations time to discuss the quotas.

Algeria, Libya, Iran and Gabon are dissatisfied with the quotas they have been allocated and will demand a larger share in Geneva.

The main Opec producers appear to have accepted a tentative agreement that they will start prospecting their new output quotas before the

next meeting confirms them.

Mr Rihwan Lukman, the Nigerian oil minister and Opec's president, said that his country would do everything it could to respect the agreement until the next meeting and indicated that the other members would do likewise.

He also said that discussion between Opec and the non-Opec producers will continue between until the next meeting.

Opec hopes that by then each of the non-Opec oil exporters will accept Opec's intention of bringing daily production down from its present level of more than 19 million barrels to about the new output quota level and will be encouraged to formally accept cuts in their own output.

Opec accepts that Britain will not make any official statement of co-operation with it on output restraint.

Mr Lukman has been

helped in his first Opec meetings as president by Dr Subroto, the Indonesian oil minister. Dr Subroto worked out the crucial individual quotas and put them to each of the oil ministers.

Mr Lukman said: "We have firm Opec proposals, what some oil ministers may say about them is a matter for themselves, but the agreement is an Opec agreement."

Opec will consider a new method of policing the quota system when it comes into force. The original system, which was agreed on in London in March 1983, was policed by a system of audits, but because the audits were retrospective, over-production became the exception rather than the rule.

Mr Lukman added: "As soon as we are clear on the final quota agreement we will have to decide how the quotas are honoured."

Executive Editor Kenneth Fleet

The same prediction, different timing

Another episode in an everyday story of international monetary folk: Henry Kaufman predicted a US discount rate cut; Karl Otto Pöchl offered some teasing hints about a rate reduction by the Bundesbank; James Baker said that rumours of a dollar free-fall have been greatly exaggerated; and Japan announced a monthly current account surplus comfortably bigger than the Treasury is expecting for Britain for the whole of the year.

Out of all this should, eventually, come lower interest rates. The question is, when? Henry Kaufman, of Salomon Brothers, Wall Street's most experienced Federal Reserve watcher, occasionally forgets the old forecasters' adage of naming a number or a date, but never doing both at the same time.

Dr Kaufman expected the discount rate to have been cut already, saying so publicly in the Far East in May. Yesterday's prediction, of a cut in the rate within the next 60 days, is essentially the same forecast moved along a little.

Interestingly, in view of a dollar trading below DM2.20 and heading down towards 1.60 against the yen, he expects such a move to occur even without prior cuts in Japan and Germany, so strong will be the pressures emerging from sluggish growth in the United States.

The Bundesbank president, Karl Otto Pöchl, was in talkative mood in Zurich, following the international monetary symposium. Yes, he said,

some of the factors which had held the Bundesbank back were improving — the mark was rising in the European Monetary System, and monetary growth was being brought to heel. And, yes, the Bundesbank would hold a press conference after its fortnightly council meeting on Thursday.

This, normally a sure-fire indication of a German rate cut to come, may be a little too good to be true. But the attitude of the German central bank to rate cuts is definitely softening. The attitude of the Bank of Japan will be required to soften. The trade surplus in May was \$8.3 billion, up on April's record \$7.66 billion. The current account is on track for a \$90 billion surplus this year. The yen rose again, and could break through 160 against the dollar just around election time.

Prospects of lower interest rates worldwide are, for once, not an unmixing blessing for Britain, as evidenced by the cautious attitude of the money markets yesterday. As the Bank of England pointed out last week, there are good reasons for caution on rates here, despite what is happening elsewhere.

And this could cause problems. Calculations by the economists at American Express, published yesterday, suggest that the pound is 20 per cent overvalued against the mark, and 10 per cent too high overall. Rate cuts elsewhere, combined with continued caution here, could serve to widen this gap.

Filling the golden trough

Although advertising by companies locked in takeover battles continues, it is limited essentially to providing information (a limitation incidentally that favours predators more than prey). It is, therefore, largely uncontentious, and hardly rewarding for advertising agencies and media alike which until the Takeover Panel blew the whistle had wallowed in profitable campaigns inspired by the mega-bids.

This particular panel ruling was not one to be taken lying down by the trade but however scornful the admen may be about the the City in general and the panel in particular, they recognise that if they are to be allowed back to this gilded trough, they need to curb some of the copywriters' creative excesses.

It was the advertising and public relations campaigns undertaken in the pursuit of Distillers that finally persuaded the panel to call a halt. The objections were not only cost, scale, exaggeration and distortion, all of which may be contested on various grounds though not with complete conviction, but also morality and taste — difficult concepts at any time but likely to rouse extreme passions when so much lucrative business is at stake. However, the advertising business does boast something called the Advertising Standards Authority and it is to this august body that the trade, through the medium of the Advertis-

ing Association, has turned for help in its hour of need.

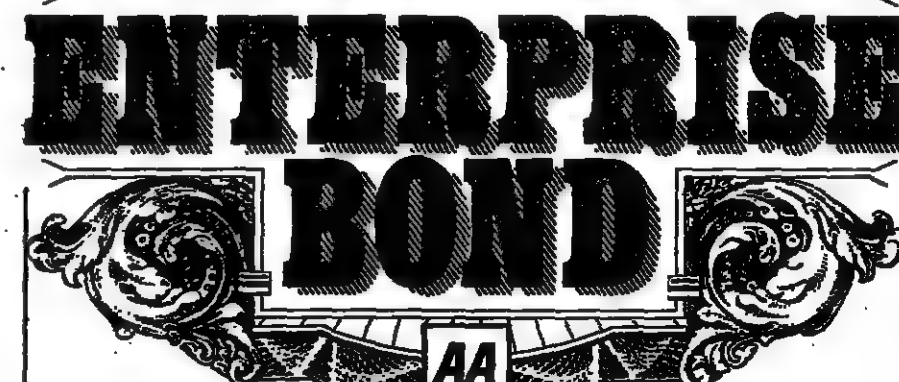
It is quite clear that the Takeover Panel will not begin to consider lifting its restrictions on takeover advertising until it sees the role of advertising agencies in a new and much more favourable light. A stuffy attitude? Perhaps. The short cut to a new credibility, in the Advertising Association's eyes, is the ASA, which would vet any advertising copy before it was permitted to appear.

This sounds as if it has some merit but the ASA, which met the Advertising Association representatives yesterday, is not easily persuaded that it should become involved. Although pre-vetting is not a new concept and corporate and financial advertising is already accepted as a separate category of advertising subjected to special rules, the ASA has neither the competence, nor incidentally the financial resources, to make rapid judgements on the copy created for contestants in the heat and dust of a takeover battle.

Furthermore the panel, and other interested parties, would need much more convincing that the practitioners hold the ASA in unambiguous high regard. In most post-vetting where the ASA cries "foul" the player's response is usually to promise not to do the same thing again and proceed immediately to something three times as bad.

Announcing a high-risk, high-potential bond that offers the truly enterprising small investor an opportunity for exceptional returns.

INTRODUCING THE NEW



If you seek truly high returns for an investment, and are not prepared to live with only average, unspectacular performance, the route is through the stock market. But the time and capital required can be too high.

That's why, aimed at those individuals with a strong entrepreneurial spirit, AA Insurance Services is pleased to announce its new Enterprise Bond. Backed by the Automobile Association in conjunction with Crusader Insurance, it's designed for one thing only: maximum potential returns. It will invest in a selection of enterprise funds around the world, looking always for maximum return.

But this is not a Bond for the faint-hearted. With reward goes high risk. You should not consider this Bond unless you are prepared to accept the risks, as well as to accept the rewards.

However, new Bonds, historically, often outperform established funds.

Return the coupon below for full details...including details of special terms that will apply to Bonds taken out by individuals applying before 14th July.

We guarantee the terms of this offer, if you apply before 14th July 1986. If we repeat the offer, we cannot guarantee that the terms will remain unchanged.

SPECIAL TERMS APPLY TO APPLICATIONS RECEIVED BEFORE 14TH JULY 1986

Send this coupon in an envelope (no stamp required) to Crusader Insurance, FREEPOST, Reigate RH4 2BR.

Please read our more details of the AA ENTERPRISE BOND. I am considering investing

NAME Mr/Ms/Mrs _____ (Maid LXXX)

ADDRESS _____ Date of birth _____

POSTCODE _____

AA Insurance Services CRUSADER

STOCK MARKET

FT 30 Share	1367.1 (+12.7)
FT-SE 100	1649.8 (+10.7)
Bargains	23418
USM (Datastream)	124.82 (+0.21)
THE POUND	
US Dollar	1:5335 (+0.0085)
W German mark	3:3683 (+0.0074)
Trade-weighted	76.2 (same)

Bond sells 269 hotels

Bond Corporation Holdings has sold its 269 group-owned hotels to a new consortium, Austotel Trust, for \$A326 million (£140 million). The deal covers 126 hotels in New South Wales, 100 in Queensland, 24 in Western Australia and others.

Bond has taken a 26 per cent stake in the new trust and Greater Pacific Investments 49 per cent. The remainder has been subscribed by interests associated with Mr Bruce Mathieson, a Melbourne hotel developer.

The three partners in Austotel have put up starting capital of \$A150 million. Besides raising cash, the move separates the brewing and hotel management sides. Mr Mathieson will manage the new trust with Bond Corporation.

UKP backing for merger

Policyholders in the United Kingdom Provident (UKP) mutual life group yesterday overwhelmingly approved a merger with Friends Provident. It was virtually forced on them: in April after UKP ran into increasing financial difficulties because of badly performing investments in unquoted energy stocks.

Mercury rises

Mercury International reported preliminary results on a pro forma basis assuming full consolidation of the stockbrokers Rowland, Bennett and Mullens & Co and Alroyd & Smithers of £39.3 million for the year to March 31 1986, an increase of 4.5 per cent on the previous year on a similar basis.

Times, page 23

Profits ahead

First National Finance, the consumer credit company, increased pretax profits from £9.12 million to £13.4 million in the six months to April 30. The interim dividend is 2.25p (all).

Times, page 23

Mortgage cut

The Mortgage Corporation, a wholly-owned subsidiary of Salomon Brothers, the US investment bank, has cut its mortgage rate by 0.5 per cent to 10.25 per cent.

£5m LCP buy

LCP Holdings, the motor parts to property development group, has conditionally agreed to buy EF Smith (Birmingham), a trading estate and warehouse operator, for £5 million cash.

More failures

A 5.5 per cent drop in business failures in the first quarter of this year has been offset by increases in the second quarter, leaving in level of business failures in Britain at virtually the same level as in the first half of last year, said Dunn & Bradstreet, the business researchers.

MARKET SUMMARY

STOCK MARKETS

New York	1898.90 (+13.64)
Tokyo	17854.19 (+108.77)
Hong Kong	1739.11 (-11.87)
Amsterdam Gen	289.4 (-2.10)
Sydney AO	1178.3 (-4.3)
Frankfurt	1929.6 (-22.0)
Commerzbank	1929.6 (-22.0)
Brisbane:	
General	675.88 (-13.08)
Paris CAC	355.6 (-3.10)
Zurich	524.90 (-0.30)
London closing prices	Page 25

INTEREST RATES

London:	
Bank Base: 10%	
3-month interbank 9% 9/16%	
3-month eligible bills 9% 9/16%	
buying rate	
US:	
Prime Rate 8.50%	
Federal Funds 7%	
3-month Treasury bills 5.95-5.93%	
30-year bonds 9 1/2 - 9.9%	

CURRENCIES

London:		New York:	
£: \$1.5335		£: \$1.5340	
£: DM3.3683		£: DM3.3683	
£: Sfr10.7351		£: Sfr10.7351	
£: Yen250.80		£: Yen250.80	
£: Index: 76.2		£: Index: 76.2	

MAIN PRICE CHANGES

RISER:	
Bristol Post	700p (+45p)
Cheshire Whitegoods	200p (+20p)
WM Sinclair	200p (+15p)
Rotiflex	473p (+18p)
British Aerospace	533p (+15p)
Ti Group	557p (+13p)
Granada	268p (+10p)
B Matthews	275p (+13p)
TV South	298p (+18p)
Grattan	530p (+78p)
Freemans	438p (+20p)
N Brown	530p (+35p)
Wigfals	153p (+13p)
Pearson	540p (+38p)
Wright Collins	510p (+27p)
Tipstock	540p (+19p)
Mercury Int	843p (+20p)

FALLS:

Next	252p (-12p)
Woolworth	690p (-45p)
Blue Arrow	388p (-10p)
United Leasing	155p (-25p)

GOLD

London fixing:	
AM \$345.50 pm \$346.75	
close \$347.50-347.75 (£226.25-226.75)	
New York:	
Comex \$346.20-346.70	

NORTH SEA OIL

Brent (July)	11.55 tdt
--------------	-----------

UNLISTED SECURITIES

1986	High	Low	Company	Price	Change	Gross	Div	Yld	P/E
15	11	10	A & M Co	10	0	0.1	0.1	1.2	12.5
16	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
17	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
18	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
19	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
20	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
21	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
22	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
23	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
24	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
25	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
26	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
27	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
28	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
29	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
30	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
31	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
32	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
33	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
34	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
35	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
36	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
37	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
38	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
39	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
40	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
41	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
42	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
43	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
44	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
45	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
46	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
47	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
48	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
49	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
50	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
51	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
52	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
53	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
54	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
55	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
56	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
57	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
58	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
59	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
60	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
61	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
62	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
63	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
64	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
65	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
66	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
67	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
68	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
69	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
70	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
71	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
72	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
73	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
74	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
75	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
76	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
77	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
78	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
79	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
80	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
81	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
82	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
83	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
84	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
85	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
86	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
87	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
88	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
89	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
90	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
91	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
92	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
93	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
94	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
95	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
96	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
97	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
98	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
99	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5
100	10	9	ATA Selection	9	0	0.1	0.1	1.2	12.5

COMMODITIES REVIEW

Bulls are still in retreat

Bulls in the commodities markets have learned to be optimistic animals. For most of the 1980s high interest rates, bountiful crops and weak industrial demand have combined to depress prices almost continuously beyond a few false dawns promised by signs of economic upturn or spells of inclement growing weather.

This year, the bulls told us, was going to be different, particularly for the base metals markets. Great hopes were pinned on the rapidly falling oil price which, it was hoped, would trigger a resurgence in global economic growth and prompt speculative investors to return from trading equities and government bonds.

(Oil, of course, is a commodity and is traded on the futures markets, but its unique importance in economic forecasting puts it apart from traditional commodities.)

The evidence of the past six months suggests otherwise. According to *The Economist* all-item commodity index, prices have fallen by 2.8 per cent in dollar terms since the start of the year. The drop in sterling terms is 7.4 per cent, reflecting the pound's advance against the dollar since January.

The problem, according to Mr Alan Davidson of Shearson Lehman Brothers,

is that lower oil prices and interest rates have done little to stimulate industrial production and demand for base metals. "All we've got is higher real interest rates," said Mr Davidson.

Future trends are also predicated on economic growth in the major industrial countries, but he is not looking for any spectacular rises as the quiet summer period starts.

The result has been particularly depressing, especially for copper and aluminium, the two metals which rely heavily on industrial offtake. Three-month copper futures on the London Metal Exchange, which exceeded £1,300 a tonne last year, struggled to stay at three and a half pence of about £900 yesterday, while the equivalent aluminium contract was quoted at £750, down from £1,075 just 15 months ago.

What good news there has been for base metals has tended to emanate from the supply rather than the demand side. A strike over new working systems at the Australian Broken Hill mine has perked up the zinc and lead markets over the past month, with a dispute at the Noranda refinery in Quebec further underpinning zinc prices.

However, strikes cannot form a solid base on which to build a rally. This has been amply demonstrated in

the copper market, where new contract lows were reached to New York last Friday after news emerged that Newmont Mining had reached a tentative pact with its unions that would cut labour costs by 20 per cent.

If one metal has shown any sign of breaking upwards it is platinum, which has risen from \$340 to \$430 an ounce this year, far outstripping the lethargic gold price on the way. On top of a possible supply deficit this year, platinum could well be caught up in the tangled diplomatic web being woven between Western Europe and South Africa.

If sanctions are applied, said Mr Davidson, Pretoria could retaliate by cutting off platinum supplies. This would deprive the West of a vital industrial resource without doing too much damage to the South African treasury.

There has been little more joy for soft commodities bulls and producers in the first half of 1986. Coffee prices started the year with a bounce but have been on an almost uninterrupted decline since touching £3,000 a tonne in January, dragged down by daily bulletins reporting a lack of frost in Brazilian growing regions. Brazil's announcement last week of lower export prices pushed September futures as low as £1,695 yesterday.

If growing conditions have been good for coffee, they have been almost perfect for cocoa in both South America and West Africa. To add to the problems of oversupply, major cocoa-growing nations such as the Ivory Coast and Ghana, cannot afford to restrict sales.

The only glimmer of hope, say traders, is if the Ivory Coast decides to join a new international cocoa pact being discussed in Geneva next week.

Surprisingly sugar, after four years of surplus crops, managed to generate a good deal of excitement in the first half of the year as early reports of the 1986-87 crop pointed to a sizeable deficit.

Prices which had dropped as low as 2½ cents a pound last year swelled to three-year highs of 9 cents by mid-April. But the flow of good news dried up as crop prospects improved, and prices have retreated to about 6.4 cents.

"We're back to where we were at the start of the year, with limited offtake and limited interest from the speculators," said Faidrich Bronsfield of sugar traders E.D.&F. Man. It is a remark that could fairly well sum up the past six months in whatever commodity you care to pick.

Richard Lander

Tootal pays £7.5m for Clover Leaf

Tootal, the textiles group, is acquiring the Clover Leaf Group, a homeware supplier to retail chains, for a maximum price of £7.5 million.

Clover Leaf supplies more than a third of its output to Marks and Spencer. It is a market leader in melamine kitchenware, table mats and decorative homeware. Its products are designed in Britain and made at Swindon, Wiltshire, and in the Far East.

Mr Geoffrey Maddrell, Tootal's managing director, said the acquisition was the first of a series of moves, aimed at strengthening the group's base and moving it into high growth sectors.

Clover Leaf, he said, should be seen as a catalyst for growth in homewares and home furnishings, where the company had strong links with the customers and a good understanding of the markets.

Clover Leaf made taxable profits of £410,000 last year on sales of £10.3 million. This

year it is estimating profits of £1 million, on a turnover of £12 million. Net assets at the year end were £3.7 million.

The initial payment of £3.75 million will be supplemented by a further £1.75 million, depending on profits over the next three years.

In brief

● **ARAN ENERGY:** The annual report for 1985 (figures in £m) shows turnover up to 31,661 or £23.1 million (27,074) and pretax profit of £583 (270).

● **HAT GROUP:** The company intends to propose to the holders of the 8% unsecured loan stock 1990/95 for the early redemption of the stock at a price of £99.50 per £100 nominal of the stock. The stock is not due for final redemption until June 30, 1995.

● **WIGGINS GROUP:** A dividend of 0.5p has been declared for the year to March 31. With figures in £000, turnover totalled £3,718 (62,707) and gross profit £530 (4,996).

● **LEX SERVICE:** The company has completed the sale of the issued share capital of Bees Transport to a company in which the senior management of Bees has a majority shareholding in a deal worth about £2.5 million in cash for Lex.

● **WIDNEY:** Results for the half year to March 31 include an interim dividend of 0.33p (0.2625p). With figures in £000, sales totalled 3,474 (3,434), pretax profit 125 (295) and earnings per share 1.1p (3.1p).

● **GRESHAM HOUSE:** The annual report for 1985 reveals plans to increase the second interim dividend from 3p to 3.45p. With figures in £000, dividends and interest income rose to 1,228 (545), rental income to 1,345 (1,070) and pretax profit to 576 (502).

● **ASSOCIATED PAPER INDUSTRIES:** The company has conditionally agreed to acquire the whole of the issued share capital of Tenza Tapes which achieved aggregate profits for the year to March 31 of £1.1m, before tax and transfers to Swedish non-taxable reserves.

● **COMPCO HOLDINGS:** A dividend of 6.25p (5.2p) is being paid for the year to March 25. With figures in £000, net income from properties was up to 711 (657), pretax profit to 630 (697) and net asset value to 504p (487p).

● **COMPSOFT HOLDINGS:** The dividend for the year to March 31 is being missed. With figures in £000, turnover slipped to 2,203 (2,400) and gross profit to 1,894 (2,052). Pretax loss totalled 50 (profit 761) and loss per share was 1.2p (5.5p earnings).

● **LEOPOLD JOSEPH:** A final dividend of 9.563p making 12.375p (11.25p) has been included in the results for the year to March 31. With figures in £000, attributable profits after all charges, including tax, totalled 625 (505). Earnings per share rose to 23.77p (19.21p).

● **WPP GROUP:** The group is acquiring Mando Photo (UK), a marketing and sales promotion company, for an initial payment of £2 million in cash with further payments in cash or shares based on profits and subject to an overall maximum of £10 million.

Surveyors to vote on limited liability

By Judith Huntley, Commercial Property Correspondent

Members of the Royal Institution of Chartered Surveyors will vote on July 14 on whether to allow unlimited outside investment in their firms, a move which would allow them to adopt a corporate rather than a partnership structure.

The pressure for change is building up as surveyors face

increasing competition.

In the residential sphere it is coming from the banks, building societies and other bodies who may soon offer services which have traditionally been the preserve of estate agents. In the commercial market, it comes from the financial conglomerates.

A change in the RICS' rules

to allow firms to become limited liability entities would open the door for practices to decide how much, if any, outside investment should be allowed in their firms.

This would enable them to obtain an injection of capital, float their companies on the stock market or allow outside investors to hold a stake

Under present RICS rules,

members wanting unlimited outside investment in their practices either have to accept non-director status in a new company structure to remain in the RICS or resign from the professional body in order to retain directorial control of their own practices or to become directors of others.

**TOMORROW
IS YOUR LAST DAY
TO REJECT
THE DIXONS OFFER.**



WOOLWORTH HOLDINGS PLC

THIS ADVERTISEMENT IS PUBLISHED BY WOOLWORTH HOLDINGS PLC ("WOOLWORTH"). THE DIRECTORS OF WOOLWORTH ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS ADVERTISEMENT. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF HAVING TAKEN ALL REASONABLE CARE, TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION IN THIS ADVERTISEMENT IS IN ACCORDANCE WITH THE FACTS. THE DIRECTORS OF WOOLWORTH ACCEPT RESPONSIBILITY ACCORDINGLY.

Mercury International Group plc

Results
Preference Share Issue and Conversion Proposals
Proposed Capitalisation Issue
Future Dividend Policy

- In the year under review we have achieved record results in almost every area of our activities.
- The merger of S.G. Warburg & Co. with three of the major Stock Exchange firms, Akroyd & Smithers, Rowe & Pitman and Mullens & Co. to form one of the leading London-based international merchant banking, securities and asset management groups was completed on 12th April. Integrated broker-dealer operations by Mercury International Group in the U.K. will start on 27th October, 1986 - Big Bang day.
- The group has already been active throughout the year in developing its international operations on an integrated basis. Admission to the Tokyo Stock Exchange in February made the group one of the first in the world to be members of the London, New York and Tokyo Stock Exchanges.
- The merger is the culmination of two years of planning and implementation and it is with great optimism that we look forward to building on this foundation to provide a new breadth and depth of service for the benefit of our clients, shareholders and employees alike. David Scholey, Chairman

MERCURY SECURITIES plc	1986	1985
Profit for the year ended 31st March, 1986, after taxation and minority interests and after transfers by the S. G. Warburg & Co. Group to inner reserves, but before crediting extraordinary items totalling £17,582,000 (1985 £9,666,000).....	£41.5m	£28.2m +47.3%
Earnings per share.....	94.2p	64.3p +46.4%
Interim dividend per share (in lieu of final) — net.....	21.0p	16.0p +31.2%
AKROYD & SMITHERS PLC.		
Profit for the fifty-five weeks ended 11th April, 1986, after taxation and minority interest, but before extraordinary items.....	£5.3m	£6.0m —12.6%
Interim dividend per share — net.....	4.0p	4.0p
ROWE & PITMAN AND MULLENS & CO.		
Combined profits for the year ended 11th April, 1986 before taxation.....	£14.0m	£7.1m +96.2%
MERCURY INTERNATIONAL GROUP plc		
PRO FORMA COMBINED FIGURES		
Profit for the year after taxation and transfers by the S. G. Warburg & Co. Group to inner reserves.....	£59.3m	£44.1m +34.5%
Attributable to Ordinary Shareholders.....	£55.8m	£40.6m +37.4%
Total disclosed capital resources.....	£441.8m	
ISSUE OF £97,748,000 7% per cent. PREFERENCE SHARES		
To Mercury Securities shareholders on the register on 12th April, 1986.....		£215 nominal (approx.) for every 100 Mercury Securities Shares.
To Akroyd & Smithers shareholders on the register on 12th April, 1986.....		£14 nominal (approx.) for every 100 Akroyd & Smithers Ordinary Shares.
CONVERSION PROPOSALS		
Proposals to enable recipients to convert their new Preference Shares into Ordinary Shares of Mercury International Group of equivalent market value will be sent to shareholders shortly.		
PROPOSED CAPITALISATION ISSUE		
A one-for-one capitalisation issue of Ordinary Shares of Mercury International Group is proposed.		
FUTURE DIVIDEND POLICY		
Mercury International Group intends to pay an interim dividend, as well as a final dividend, in respect of each financial year on the Ordinary Shares. The first such interim dividend is expected to be paid in December, 1986 in respect of the half year ending 30th September, 1986.		

Beating a predator can help your shares

By Richard Lander

One of the great fears of investors who hold shares in bid target companies is that their stocks will plummet in value if the bid lapses, either because the bidder fails to get enough acceptances or because a reference to the Monopolies and Mergers Commission intervenes.

It is a theory which sounds plausible. After all, target stocks rise sharply when a bid is made and often before, if rumours are flying about in the market.

Another jump usually occurs when a revised offer is posted and eventually the shares reach levels that cannot be justified on fundamental grounds.

Once the bid disappears, so the theory goes, the target company's shares tend to collapse, much to the chagrin of those shareholders who did not sell in the market while the offer was on the table.

However, an empirical study by McKinsey & Co., the management consultants, on the fate of shares that survive bids suggests otherwise.

McKinsey is now in the thick of the takeover scene in its role as adviser to Woolworth Holdings, which is trying to fight off the attentions of the Dixons Group.

Its surprising findings are expected to be supported soon by an independent study of the same subject from Dr Julian Franks, of the London Business School.

He said: "It is an open question whether the bid premium of successful defenders is eroded or not."

McKinsey's study looked at 53 companies worth more than £10 million which have escaped the clutches of their pursuers since 1980.

Of the companies analysed, 34 persuaded enough shareholders not to accept the bid, and the other 19 had the Office of Fair Trading to thank for their survival.

The study shows that in the six months from the date the bids lapsed, 61 per cent of the companies outperformed the FT All-share index while the rest fared worse than the market.

In this period, a theoretical unit trust which put equal amounts into each company on the lapsing date would have bettered the market by 6.7 per cent, although had this portfolio been held to date the margin would have dropped to 0.2 per cent.

Shares in referred companies beat the FT All-share index by an average of 14.2 per cent over the following six months, as against 1.9 per cent for shares in failed bid targets.

Held to date, the portfolio of the referred companies would have beaten the market by 7.8 per cent, while investments in other shares would have trailed behind by 3.6.

BASE LENDING RATES

ARN	10.00%
Adam & Company	10.00%
BCCI	10.00%
Chabank Savings	10.75%
Consolidated Credit	10.00%
Continental Trust	10.00%
Co-operative Bank	10.00%
C. Hoare & Co.	10.00%
Hong Kong & Shanghai	10.00%
Lloyds Bank	10.00%
Nat Westminster	10.00%
Royal Bank of Scotland	10.00%
TSB	10.00%
Chabank NA	10.00%

† Mortgage Base Rate.

STOCK MARKET REPORT

Beecham price rise takes American investors by surprise

By Michael Clark

Takeover favourite Beecham was giving New York investors a tough time yesterday as the price raced away in after hours trading with a 9p rise to a peak of 430p.

Speculation in the market that the group was about to announce the appointment of a new chairman and chief executive and continuing whispers of a full bid from ICI caught many American investors on the hop.

Most of them had been sellers of the shares in the form of American Depository Receipts on Wall Street late on Friday and had been hoping to cover their positions when dealings resumed in London yesterday.

This followed reports that one big US investment bank had attempted to raise \$5

Cadbury Schweppes, the confectionery and soft drinks group, which has been another favourite of theirs in recent weeks. The shares jumped 4p to 187p with some of them prepared to chase the price sharply higher, following details of the group.

The rest of the equity market opened the new account on a firm note as funds became more available from the Thames Television and Morgan Grenfell new issues.

The news of £299 million agreed bid by Next for Grattan, the mail order group, also helped to breathe new life into the market. Dealers reported a healthy increase in turnover as the rise in share prices continued to gather momentum.

The FT 30-share index closed at its highest level of the day 12.7 up at 1,367.1, while the broader FT-SE 100 index rose 10.7 at 1,649.8.

Losses in gifts extended to 8% as hopes of an early cut in interest rates evaporated following last week's warning by the Bank of England about reducing rates too quickly.

Among the high Street banks National Westminster slipped 3p to 519p after confirmation that its recent £700 million-plus rights issue had been taken up. The rumour was placed in the market without too much trouble.

Struggling Raiffeisen Industries, the residential and commercial estate developer, rose another 4 1/2p to 75 1/2p, still awaiting details of the bid approach from a mystery private company.

Until recently, the group's biggest outside shareholder was Mr David Abel's Suter, but Suter recently reduced its holding to 1.3 million shares (4.93 per cent). Con-Mech Engineers accounts for another 1.493 million shares, or 5.66 per cent of the total. Last year Raiffeisen saw pretax profits for the year to June 30 slide from £615,000 to £408,000.

Also awaiting bid news, Rotaflex shares firmed another 18p to 473p. The group is already the subject of an unwanted £52 million approach from Emess Lighting, which claims this is its final offer. But last week Rotaflex announced that it was in talks with MK Electric, down 3p at 368p ex-dividend, which it hopes will play the role of a white knight and save it from the clutches of Emess, unchanged at 322p.

In properties, Edgerton Trust, the old Caparo Properties run by Mr Swraj Paul, leapt 12p to 110p following a mention in Saturday's market report in *The Times*.

Textile group Courtlands continued to benefit from the recent trip to its Barcelona

Rights issues need not always be bad news for the investor. In Costain's case it should be treated as good news, according to Savory Mills, the broker. Savory says it should not be seen as a way of reducing debt, but as a reflection of the group's potential for expansion. It rates the shares, up 6p at 550p as a buy.

factory by a number of City analysts with a 6p rise to 306p — just 9p short of the year's high.

The analysts were clearly impressed with what they saw and it looks as though the shares are due for another rerating. The quality of earnings from fibres has increased, while costs on the viscose side are continuing to fall, providing the group with increased opportunity.

Brokers such as de Zoete & Bevan now feel that its profits estimate of £168 million for the current year, against £143 million last time, is now more obtainable. It may even choose to raise its forecast later in the year.

RECENT ISSUES

COMPANIES	ISSUES	RIGHTS ISSUES	
Accord Pub (128p)	142	Amari N/P	5 1/2
Alumasec (150p)	147	Amalgamated N/P	100
Andor (180p)	115	Clifford's Denies F/P	
Arington (115p)	190	Costain N/P	80-82
Ashley (135p)	212-22	Creston (U) N/P	390-415
Beveridge (140p)	148-43	De La Rue N/P	141-146
Beet (37p)	28	De La Rue N/P	5 1/2-5 1/4
Black (147p)	137	De La Rue N/P	25-28
Br Island (50p)	28	De La Rue N/P	1 1/2-1 1/4
Broderick (145p)	158-60	De La Rue N/P	515
Campbell-Armstrong (110p)	100	De La Rue N/P	14-2
Clarke Hooper (130p)	151	De La Rue N/P	
Coated Electrodes (84p)	91	De La Rue N/P	
Caspeck (107p)	193	De La Rue N/P	
Densiron (50p)	83	De La Rue N/P	
Endo (30p)	38	De La Rue N/P	
Evans Halshaw (120p)	119	De La Rue N/P	
Fields (MRS) (140p)	155-57	De La Rue N/P	
Guthrie Corp (150p)	144-47	De La Rue N/P	
Higgins (140p)	91	De La Rue N/P	
Hodgson (85p)	102	De La Rue N/P	
Jury's Hotel (115p)	125	De La Rue N/P	
Lipex (145p)	123	De La Rue N/P	
Monotype (57p)	110-13	De La Rue N/P	
Savage (100p)	175-78	De La Rue N/P	
Smalbone (185p)	35-37	De La Rue N/P	
Soundtracks (45p)	110	De La Rue N/P	
Tack Force (55p)	210	De La Rue N/P	
Templeton (215p)	118	De La Rue N/P	
Tenby Inds (112p)		De La Rue N/P	

(Issue price in brackets).

British wine profit margins face Spanish tax pressure

By Derek Harris, Industrial Editor

Manufacturers of wines made in Britain from imported materials, typically the British sherry, are facing a possible shake-up on taxation. It could affect pricing policies and profit margins in a sector which accounts for nearly a tenth of all wine sales in Britain.

The main producers of these wines are Vine Products, part of Allied-Lyons, and J.E. Mathers based in Leeds.

Talks are currently in progress between the drinks trade and the Customs and Excise for possible realignment in the way a number of drinks are taxed. Other drinks which could be affected are new-style low-alcohol "coolers" and lower gravity beer.

The move has come as Spanish sherry producers are complaining about duty discrimination in Britain favouring the British-made wines as they are known in the trade to differentiate them from wine produced from grapes harvested in Britain.

The Spanish have attempted in the past to keep the sherry name exclusively for the Jerez product, but the British sherry description has been protected for 10 years by EEC rules. With Spain now in the Common Market it is expected to put as much pressure as it can to protect its sherry interests.

The taxation threat has emerged because Customs and Excise believes that while the duty structure works "reason-

ably well" there are some problem areas. For instance, while some products pay duty when in their final form others can be made by blending ingredients on which duty has been paid without then attracting a recalculated end-product duty.

Such blending can be of ingredients taxed at different rates because they are of varying alcoholic strength. Traditionally it has been permissible to blend made-wines from ingredients separately taxed. In practice blending has largely been of some British sheries.

The expectation in the trade is that a rationalization similar to that brought in by the vermouth producers will be necessary for made-wines. In some cases this could reduce their price advantage leaving the makers with the option of raising prices or accepting more squeezed profit margins.

The cooler drinks, often mixtures of fruit juice or mineral water with a base of wine, spirits, beer or cider, have been increasingly promoted in Britain in the last two summers although so far they have failed to take off in the way they have in North America.

The problem is that they are taxed at present according to their alcoholic base ingredient and this brings anomalies. A beer-based cooler, because it would be classified as a made-wine, could attract about four times as much duty as a wine-based cooler.

Cookie firm opens first British shop

Mrs Fields Cookies, America's largest freshly-baked cookie company, whose Unlisted Securities Market debut left underwriters with 84 per cent of the 30 million shares, has taken its first shop in Britain.

The company has opened 400 sq ft premises in the Trocadero Centre, the leisure and retail complex in Piccadilly Circus, London, developed by Electricity Supply Nominees, the pension fund for the electricity industry. Colliers Bigwood & Bewlay, the estate agent acting for Mrs Fields, is looking for another eight stores this year.

APPOINTMENTS

Manex: Mr John Peirson has joined the board.
MAB Services: Mr Robert Ashley has become financial director.
King & Shaxson Holdings: Mr J D Mackinnon has been made a director and a managing director of King & Shaxson Ltd.
Merrill Lynch Europe: Mr Jeffrey Chander, Mr Richard Lutyens, Mr Nahum Vaskevitch and Mr Eric Wilkes are now managing directors and have been elected to the management committee.
Siemens: Sir John Lang Taylor is now chairman. Mr Juergen Gebrels has been made managing director. Mr Hannes Vahl has rejoined the board as a non-executive director.



Sir John Lang Taylor.

Touche, Remnant & Co: Mr Nicholas Fitzgerald and Mr C Michael Gregory are now on the board.
TI Group: Mr Howard Atkins has been made a director.

Hepworth Ceramic Holdings: Mr F Sinclair Thomson has been named group chief executive.

The Builder Group: Mr Nigel Wahlesley has become a non-executive director.
Spencer Clark Metal Industries: Mr Howard Dyer has been made managing director.



Juergen Gebrels.

BBC Television: Mr Cliff Taylor has been made deputy director, planning and resource management, television.

STC Defence Systems: Mr Dennis Head has become divisional director (Northern Ireland) and Mr Alan Higgs is now marketing director (Northern Ireland).

This advertisement is published by S.G. Warburg & Co. Ltd. on behalf of Dixons Group plc ("Dixons"). The Directors of Dixons are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information in this advertisement is in accordance with the facts. The Directors of Dixons accept responsibility accordingly.

TEMPUS

Mercury International profits take wing

Results reported by the merchant banks are usually uninformative, but yesterday's offering from Mercury International was particularly impressive.

The picture is confused by the acquisitions of the two stockbroking firms, Rowe & Pitman and Mullens, and the jobbing firm, Akroyd & Smithers.

As they will be fully consolidated from April 12 this year, it is simplest to concentrate on the pro forma results to March 31 and the comparative for the previous year. This shows that, had the acquisitions been consolidated for the last two years, profit after tax would have risen by 34 per cent from £44.1 million to £59.3 million.

On an actual reported basis, profits rose 47.3 per cent to £41.5 million.

In a year of exceptional takeover and merger activity and booming stock markets worldwide, it was difficult for stockbrokers not to make money, and Rowe & Pitman and Mullens were no exception. Profits before tax doubled from £7.1 million to £14 million.

Within the merchant banking business, corporate finance activity was important. The group did its share of merger and acquisition work and share and debt issues.

But the bank points out that its success rests not on these activities alone but on the broad base of all its operations, especially banking and its £14 billion of funds under management.

The year to next March will be a year of unprecedented change in the City. On October 27, big bang day, Mercury's merged Stock Exchange firms will be ready to start integrated broker-dealer operations.

And as one of the leading London-based international merchant banking, securities and asset management groups, Mercury has been expanding its interests.

In the rapidly changing securities business, profits are especially hard to forecast.

Marlin Green, an analyst at the stockbroker Smith New Court Agency, forecasts 1986-87 group profits after tax up 6 per cent to £63 million, giving fully diluted earnings per share of 73p.

This puts the shares on a multiple of 11.3.

If transfers to hidden reserves are as much as 25 per cent, the multiple falls to 9, not a demanding multiple, but perhaps greater disclosure would improve it.

Blue Arrow

When times get hard, the chairman cuts a swathe through his £30,000-a-year middle management. But the office "temps" are kept on to the bitter end.

So it is not surprising that recruitment agencies such as Blue Arrow are enjoying boom business.

The company yesterday celebrated its imminent departure from the ranks of the USM to the main market by announcing record pretax profits of £2.2 million for the half year to the end of April with the best start to come.

The rapid increase over the £90,000 last time owes much to the five-month contribution of about £800,000 from Brook Street Bureau.

The group's position as the largest employment services operation in the United Kingdom has been bolstered by the acquisition of Hoggett Bowers, which specializes in placing top executives, and will make its profit debut in the second half.

The next big step, likely before the end of the year, should involve the acquisition of an employment services company in the United States.

Blue Arrow's cleaning side has been boosted by the acquisition of Reliance Cleaning and with the business travel and financial services division also doing well predictions from the market of £7.75 million total for the full year do not look wide of the mark.

For next year £14 million seems well in prospect.

First National

Finance

Stock market investors have been slow to appreciate the sea change that has taken place at First National Finance.

The company left the Bank of England's life boat more than a year ago and yesterday's interim figures

demonstrate how well it has adapted to dry land.

Profits were up from £9.12 million to £13.4 million before tax, even though there was no contribution from TCB (formerly Twentieth Century Banking) which First National acquired from P&O near the end of the half year.

Consumer credit will continue to dominate the group. While the company says there is plenty of scope for expanding this business the emphasis is likely to be on the new corporate banking business.

Its asset base will be boosted over the next three or four years by the redeployment of the money at present tied up in the company's remaining 900 London flats, which are to be sold.

As anyone will know who has had the unfortunate experience of trying to buy residential property in London the average selling price of these flats is likely to be about £50,000, depending on location.

Even allowing for the cost of refurbishment prior to disposal, that suggests that First National could raise more than £34 million.

The disposals will also produce good profits as the flats have a book value of between £10,000 and £12,000 each.

Allowing for refurbishment costs annual profits might amount to £5.5 million, assuming a steady disposal programme over four years.

Accepting these as nothing more than back-of-an-envelope sums, the figures suggest that First National's shares are undervalued.

At 208p the whole company has a price tag of £260 million, leaving the consumer credit, banking, and other smaller business which for tax reasons include housebuilding, valued on just eight times earnings (diluted for the loan stock).

The payment of an interim dividend, the first interim for 12 years, of 2.5p suggests the total payout for the year will be at least 5.63p, given the company's intention to pay 40 per cent of the total at the half-year stage.

On that basis the yield is 3.8 per cent. The rating reflects more on First National's watery past than on its future.

Dixons OFFER FOR WOOLWORTH

DIXONS INCREASED OFFER WORTH

807.6p

WOOLWORTH SHARE PRICE

695.0p

DIXONS BID HIGHER BY

112.6p

Dixons increased offer is final. Acceptances should be received by 1.00p.m. on 2nd July, 1986.

The increased offer will close at 1.00 p.m. on 2nd July, 1986 unless it has by or on that date become unconditional as to acceptances. Dixons has reserved the right, however, to revise, increase, and/or extend the increased offer in a competitive situation. If you require copies of documents, further information, or assistance in completing your Form of Acceptance, please contact S.G. Warburg & Co. Ltd. at: 33 King William Street, London EC4R 9AS, telephone 01-280 2222.

The value of Dixons increased offer (based on the value of Dixons securities being offered in exchange for Woolworth Shares) has been computed by reference to a price for Dixons Ordinary Shares of 382p, based on market prices at 3.30p.m. on 30th June, 1986, after adjusting for Dixons forecast 1985/86 final dividend of 2.4225p (net) per share, and an estimate of the value of a Dixons Convertible Preference Share of 57.45p.

Cazenove & Co., stockbrokers to Dixons, have confirmed that, based on market conditions on 30th June, 1986, a reasonable estimate of the value of each Dixons Convertible Preference Share would have been 97.45p. The value of a Woolworth Share, which is quoted on an ex-dividend basis, has been based on market prices at 3.30p.m. on 30th June, 1986.

The Mortgage Corporation

announces that its MORTGAGE LENDING RATE will be reduced from 10.75% to 10.25% with effect from Tuesday 1st July 1986.

The Mortgage Corporation Limited, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SR, Telephone: 01-834 8444.

WALL STREET

New York (Reuters) - Wall Street shares advanced in early trading yesterday, buoyed by talk of lower interest rates and end-of-quarter fund buying, traders said.

Merger-related trading continued to provide support, with a number of active shares boosted by takeover speculation.

The Dow Jones industrial average was up 2.39 points to 1,887. Advancing issues led declining issues by a three-to-

two margin on a total of 15 million shares traded.

Panhandle Eastern led active issues, up 4 to 49.4. It has received a \$50-a-share bid from Star Partners.

Safeway rose one point to 54 1/2 and Sanders Associates rose 1/2 to 51 1/2.

The transportation average was up 1.50 points to 779.01, utilities were up 1.21 points to 199.91. Stocks advanced 1.74 points to 755.33.

Jul 27	Jul 26	Jul 27	Jul 26	Jul 27	Jul 26
AMR	54 1/2	53 1/2	Panhandle	49 1/2	45 1/2
ASA	31 1/2	31 1/2	Patco	25 1/2	25 1/2
AT&T	44 1/2	44 1/2	Pharmacia	24 1/2	24 1/2
Bank of America	52 1/2	52 1/2	Pharmacia	24 1/2	24 1/2
Boeing	54 1/2	54 1/2	Pharmacia	24 1/2	24 1/2
Chrysler	37 1/2	37 1/2	Pharmacia	24 1/2	24 1/2
Coca-Cola	12 1/2	12 1/2	Pharmacia	24 1/2	24 1/2
Digital	85 1/2	85 1/2	Pharmacia	24 1/2	24 1/2
Eastman	88 1/2	88 1/2	Pharmacia	24 1/2	24 1/2
Exxon	41 1/2	41 1/2	Pharmacia	24 1/2	24 1/2
General Electric	34 1/2	34 1/2	Pharmacia	24 1/2	24 1/2
IBM	115 1/2	115 1/2	Pharmacia	24 1/2	24 1/2
Intel	38 1/2	38 1/2	Pharmacia	24 1/2	24 1/2
Johnson & Johnson	27 1/2	27 1/2	Pharmacia	24 1/2	24 1/2
McDonald's	31 1/2	31 1/2	Pharmacia	24 1/2	24 1/2
Merck	105 1/2	105 1/2	Pharmacia	24 1/2	24 1/2
Microsoft	113 1/2	113 1/2	Pharmacia	24 1/2	24 1/2
Motorola	73 1/2	73 1/2	Pharmacia	24 1/2	24 1/2
NCR	51 1/2	51 1/2	Pharmacia	24 1/2	24 1/2
Novartis	14 1/2	14 1/2	Pharmacia	24 1/2	24 1/2
Oracle	34 1/2	34 1/2	Pharmacia	24 1/2	24 1/2
Rockwell International	11 1/2	11 1/2	Pharmacia	24 1/2	24 1/2
Sony	18 1/2	18 1/2	Pharmacia	24 1/2	24 1/2
Spacenet	18 1/2	18 1/2	Pharmacia	24 1/2	24 1/2
Unisys	34 1/2	34 1/2	Pharmacia	24 1/2	24 1/2
Wendover	18 1/2	18 1/2	Pharmacia	24 1/2	24 1/2
Worldwide	18 1/2	18 1/2	Pharmacia	24 1/2	24 1/2
Yale	18 1/2	18 1/2	Pharmacia	24 1/2	24 1/2

FOREIGN EXCHANGES

Market rates	Market rates	1 month	3 months
London 1.5175-1.5200	1.5175-1.5200	0.40-0.37pm	1.08-1.03pm
Paris 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Frankfurt 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Geneva 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Madrid 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Rome 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Stockholm 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm
Zurich 1.2115-1.2125	1.2115-1.2125	0.38-0.37pm	0.64-0.63pm

MONEY MARKETS AND GOLD

Base Rates	Base Rates	Base Rates	Base Rates
Overnight 10 1/2	Overnight 10 1/2	Overnight 10 1/2	Overnight 10 1/2
1 month 10 1/2	1 month 10 1/2	1 month 10 1/2	1 month 10 1/2
3 months 10 1/2	3 months 10 1/2	3 months 10 1/2	3 months 10 1/2
6 months 10 1/2	6 months 10 1/2	6 months 10 1/2	6 months 10 1/2
12 months 10 1/2	12 months 10 1/2	12 months 10 1/2	12 months 10 1/2

GOLD

Gold 347.50-347.75	Gold 347.50-347.75	Gold 347.50-347.75	Gold 347.50-347.75
100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75
100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75
100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75	100g 347.50-347.75

ECGD

Fixed Rate Sterling Export Finance	Fixed Rate Sterling Export Finance	Fixed Rate Sterling Export Finance	Fixed Rate Sterling Export Finance
1 month 10 1/2	1 month 10 1/2	1 month 10 1/2	1 month 10 1/2
3 months 10 1/2	3 months 10 1/2	3 months 10 1/2	3 months 10 1/2
6 months 10 1/2	6 months 10 1/2	6 months 10 1/2	6 months 10 1/2
12 months 10 1/2	12 months 10 1/2	12 months 10 1/2	12 months 10 1/2

LONDON FINANCIAL FUTURES

Three Month Sterling	Three Month Sterling	Three Month Sterling	Three Month Sterling
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

CANADIAN PRICES

Aluminum	Aluminum	Aluminum	Aluminum
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

Dealers were divided over prospects for the dollar, with a sharp fall expected after Friday's Japanese elections. Others see it holding up now that a weaker dollar is no longer seen as a cure-all for the US trade deficit.

DOLLAR SPOT RATES

Spot Rates	Spot Rates	Spot Rates	Spot Rates
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

OTHER STERLING RATES

Other Sterling Rates	Other Sterling Rates	Other Sterling Rates	Other Sterling Rates
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

LONDON COMMODITY EXCHANGE

Commodity	Commodity	Commodity	Commodity
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

COMMODITIES

Commodity	Commodity	Commodity	Commodity
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

MEAT AND LIVESTOCK

Meat and Livestock	Meat and Livestock	Meat and Livestock	Meat and Livestock
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

LONDON MEAT FUTURES

Meat Futures	Meat Futures	Meat Futures	Meat Futures
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

LONDON METAL FUTURES

Metal Futures	Metal Futures	Metal Futures	Metal Futures
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

INVESTMENT TRUSTS

Investment Trusts	Investment Trusts	Investment Trusts	Investment Trusts
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

FINANCIAL TRUSTS

Financial Trusts	Financial Trusts	Financial Trusts	Financial Trusts
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

THE TIMES UNIT TRUST INFORMATION SERVICE

Unit Trust	Unit Trust	Unit Trust	Unit Trust
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2
100g 10 1/2	100g 10 1/2	100g 10 1/2	100g 10 1/2

Portfolio
Gold

From your portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches, you have won outright or a share of the total prize money stated. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

© Times Newspapers Ltd. Daily Total

Please be sure to take account of any minus signs

Weekly Dividend
Please make a note of your daily totals for the weekly dividend of £8.00 on Saturday's newspaper.

MON	TUE	WED	THU	FRI	SAT	TOTAL

BRITISH FUNDS

High Low Stock Price Change % P/E

SHORTS (Under Five Years)

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

FIVE TO FIFTEEN YEARS

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

OVER FIFTEEN YEARS

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

UNDATED

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

INDEX-LINKED

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

BANKS DISCOUNT HP

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	
39	Allied Colloids	Chemicals, Plastics	
40	Ward White	Drapers, Stores	
41	Laporte	Chemicals, Plastics	
42	RMC	Building, Roads	

Confident start to account

ACCOUNT DAYS: Dealings began yesterday. Dealings end July 11. Contango day July 14. Settlement day July 21.
\$Forward bargains are permitted on two previous business days.

STOCK EXCHANGE PRICES

No.	Company	Group	Gain or Loss
1	UKO	Industrial S-Z	
2	Sumo Clothes	Drapers, Stores	
3	Mander	Building, Roads	
4	Mowlem (John)	Building, Roads	
5	Reed Executive	Industrial L-R	
6	Lee (Arthur)	Industrial L-R	
7	Bejam	Foods	
8	Hilldown Hids	Foods	
9	Arson	Industrial A-D	
10	RHP	Industrial E-K	
11	Fluoridin	Industrial A-D	
12	Cook (Wm)	Industrial A-D	
13	Coala	Chemicals, Plastics	
14	Yorkshire Chem	Chemicals, Plastics	
15	Apcon Computers	Electronics	
16	Cable & Wireless	Electronics	
17	Benlar	Industrial A-D	
18	STC	Electronics	
19	Comcap	Electronics	
20	Thomson T-Line	Industrial S-Z	
21	Wedgwood	Industrial S-Z	
22	Low & Boser	Industrial L-R	
23	Colortel	Industrial A-D	
24	Unid Biscuits	Foods	
25	Kwik Save	Foods	
26	Bills & Ederard	Chemicals, Plastics	
27	Whitbread A	Breweries	
28	Douglas (RM)	Building, Roads	
29	Net Aust Bk	Banks, Discount	
30	Lloyds	Banks, Discount	
31	Bass	Breweries	
32	Burys	Banks, Discount	
33	Trent	Building, Roads	
34	Boots	Industrial A-D	
35	Superdrug Stores	Drapers, Stores	
36	Armour	Industrial A-D	
37	Tate & Lyle	Foods	
38	Plessey	Electronics	

Edited By Matthew May

COMPUTER HORIZONS/1



Fingert farming: Dairy farmer Alan Parkhouse with new Dairyfax service

The pinta goes electronic

Dairy farmers will soon be able to link up electronically to the Milk Marketing Board's computer with a new service called Dairyfax, run through British Telecom's Prestel system. It will allow farmers to check the results of their milk samples taken by the board and work out predictions for output and income given details of a particular herd and calving dates. Milk payments and milk prices are two of the items included in a news section and the board will present a shortlist of suitable bulls in a section called Sirematch. Further details from 01-398 4101.

The next British final of the Micromouse contest is to be held on July 15 and 16 at the Institution of Electrical Engineers. Micromice are small robot vehicles which have to run through a maze of alleyways six-and-a-half inches wide and find the fastest route to the centre. The contest, first introduced to the UK in 1980, has grown over the years with several countries holding Euro-micro finals while the Japanese club has more than 100 members. Though early contestants were professional engineers, advances in

COMPUTER BRIEFING

robot technology have made it possible for young enthusiasts and school teams to achieve good results.

The Manpower Services Commission has produced a new guide to careers in high technology. *Working in Computing* is a 24-page booklet which examines where the shortage of experienced computing experts gives the best prospects for numerate youngsters. It includes interviews with computer programmers, operators and designers and a look at the pitfalls of training for a marketplace that is rapidly changing.

The booklets, which cost £1.95, are available from COIC, Sales Department, Freepost, Sheffield S1 4BR.

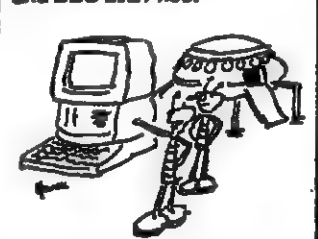
Technology company, Technet, funded by the Greater London Enterprise Board to allocate money for job creation agreed in the High Court last week to freeze more than £250,000 pending judgment in

an action brought by the Camden-based London New Technology Network (LNTN) against its LNTN is one of five London technology networks that relies on funds from Technet, a wholly-owned subsidiary of the Greater London Enterprise Board which derived its funds from the now defunct GLC. Before the undertaking was given, London New Technology had claimed an injunction requiring immediate payment of £264,840. The money, it said, was due under a funding agreement.

It has been called the world's most successful board game and now it will be available in a computer version. *Trivial Pursuit*, dreamt up by three Canadians over a kitchen table covered in Scrabble boards and beer bottles, has sold nearly 70 million copies worldwide, three million of them in the UK.

The computer version will feature many questions from the Master Genius Edition and *Domark*, the company marketing it, says the game will be faithful to the original, although new puzzles will be added — "fresh and exciting questions". In the words of the marketers, a technical innovation will be that the Spectrum, Commodore 64 and Amstrad versions will feature "Uniload", a system allowing a universal question tape to be loaded into any of those machines.

The *Trivial Pursuit* computer game is due to be available in Britain from September, on Spectrum, Commodore 64, Amstrad and BBC at £14.95.



Good grief! It's an IBM

One of the first of an expected flood of cheap personal computers from the Far East is the Bondwell 34, manufactured in Hong Kong and priced at £590. It is compatible with the industry standard set by the IBM PC and comes with two disc drives, a colour screen monitor and 640 kilobytes of memory. The low price of such machines is causing consternation among other more expensive manufacturers many of whom have already cut their prices by up to 20 per cent. A more powerful version of the computer, the Bondwell 36XT, comes with a 20 megabyte hard disc at £1,150. They are both being imported by the Hinchin-based Spectrum Group on 0462 37171.

Events

Knowledge Based Systems Show, Wembley Conference Centre, London, July 1-3 (01-868 4466) PC User Show, Olympia, London, July 18-19 (01-608 1161) Acorn User Exhibition, Barbican, London EC2, July 24-27 (01-349 4687) Personal Computer World Show, Olympia, London, September 3-7 (01-487 5831) Visit 86 Recruitment Fair, Intercontinental Hotel, Hyde Park, London, September 5-6 (01-840 7117) Commodore Show, UMIST, Manchester, September 12-14 (01-456 8883) Electron & BBC Micro Show, UMIST, Manchester, September 26-28 (01-456 8835)

New Technologies in Training, Kensington Town Hall, London, September 30-October 2 (01-727 1829) IBM System User Show, Olympia 2, London, October 1-3 (01-608 1161) Compuce, Olympia, London, November 11-14 (01-821 5555)

Overseas Events Comdex Australia, RAS Showground, Sydney, September 2-5 (01-830 9740) EuroDec 86, Intercontinental Hotel, Fontenay, Hamburg, West Germany, September 23-25 (01-403 1473) Artificial Intelligence and Parallel Computers, Wiesbaden Panta Hotel, West Germany, September 23-

A Scoop for the pollution fighters

By Frank Brown

New software used in a recent maritime exercise off the south coast of England could play a key role in the fight against pollution. Scoop (Scion Control Of Oil Pollution) simulates and predicts the movement of an oil slick under real environmental conditions, including the rate at which the slick will spread, both in open sea and coastal areas.

The influences of the wind and the tide, and the spreading qualities of the particular oil, are taken into account, much of this data being drawn from data banks of information on tidal flows around the UK coastline and of the characteristics of the different oils.

Scoop can also work out the cost of the various ways of dealing with oil spills so that the economics of different combat strategies can be readily compared.

Calculating the movement of a slick involves highly complex equations and has hitherto been carried out manually. The new software speeds the process dramatically and provides fast, accurate forecasting which — in addition to providing earlier warnings to emergency organizations — enables contingency resources such as dispersant-spraying vessels and aircraft to be used more effectively.

Scoop has been developed for the Marine Pollution Control Unit of the Department of Transport and was successfully used for the first time in "Maachex 86", a joint Anglo-French exercise carried out last week to test the two countries' marine contingency organizations which deal with oil slicks and other emergencies in the English Channel.

Maachex 86 envisaged a collision between a coaster and a loaded tanker in the Dover Strait, in which the coaster had sunk, setting adrift its crew, and the tanker had ruptured and released a substantial amount of crude oil.

Information on the incident was relayed to the Scoop computer at MBCU's headquarters in London, which produced forecast charts and tables that were sent by facsimile equipment to coastguard command posts in Dover and Cherbourg.

The Department of Transport's contract-spraying and remote-sensing aircraft were used together with dispersant-spraying tugs from the Dover Harbour Board. France used a naval patrol vessel, an anti-pollution vessel and an observation aircraft. The results of the exercise will take some months to assess in detail, but officials expressed satisfaction at the speed with which the information was produced and disseminated and the appropriate pollution counter-measures taken.

Scoop is also being used by oil companies in Europe and North America to predict and control spillages on oil rigs.

The new software has considerable potential as a training aid and for contingency planning generally. The techniques it embodies can be equally applied to pollution on land and in the air, says its developers, Scion, of Milton Keynes.

They are already being used to model the dispersion behaviour of hazardous chemicals and gases. Other areas of atmospheric pollution are being tackled.

A version for use on an IBM PC is planned to make it economical for a wide spectrum of organizations with ecological responsibilities.

A setback for British design in Apricot's market strategy

By Geoff Wheelwright

Apricot's decision last week to abandon its long-standing policy of not producing computers compatible with IBM's machines could sound the death-knell for innovation in British-designed PCs.

The move — which puts the company firmly into the IBM PC AT camp (although with enough additional features and extra power that it compares favourably with the IBM offering) — comes after a series of setbacks to its original non-IBM strategy. In its day the company's original Apricot PC was considered a triumph of design and won a large number of awards for both its looks and performance.

Despite putting up a good fight against IBM, the machine and the company which produced it started to find life more difficult when the cheaper FI series of Apricot PC-compatible micros were unveiled in 1984. The FI machines and a portable computer launched at the same time were a disappointment for Apricot and poor sales forced the company to abandon the machines last year.

At that time, however, its Apricot XI machine was still selling well and its new and more powerful XEN computer was being enthusiastically received.

While the original partially IBM PC/AT-compatible XEN will still be a part of the company's product line, the major focus of Apricot's efforts will be on its new Xen-i PC/AT-compatible computer. Although this machine does not look like the IBM machine physically and incorporates a number of design innovations, it does not need to use the unique computer software required by the old Apricot PCs (nor can the standard Xen-i run that software).

Apricot says this is all part of a now-completed strategy to "move the product line firmly to the higher end of the market" and says it has now "gotten away from the low margin area" where smaller firms are selling cheap knock-offs of the basic IBM PC.

"In recent weeks there has been increasing pressure on prices in the commodity PC market, mainly resulting

from growing sales in the US and UK of IBM "clones" manufactured in the Far East", the company said in a report. "The company's strategy of moving to the higher end of the market should protect its margins to a substantial extent in the future."

While this change in strategy may well signal a brighter future for Apricot, it also is the end of an era for British PC designers. With Amstrad looking like its next computer will be an IBM-type machine and Sinclair Research firmly out of the race for the production of business PCs, there is no one likely to come forward to take on the mantle of British PC design innovator.

This is probably good news for computer buyers, as it means that almost all new business computers are likely to have access to the vast range of software written for the IBM PC design. But surely someone, somewhere, will be shedding just a small tear for the death of Britain's own attempt to beat the IBM standard with something superior.

ICL moves to a brave new world

By Richard Sarson

Alan Rousell, managing director of ICL UK, started delegates at a conference of ICL customers in May by declaring himself "fed up with misleading propaganda and half-truths used by IBM UK, to convince people it makes a positive contribution to the UK economy". The assembled users greeted this with cheers.

When Tony Cleaver, chief executive of IBM UK called these comments "grossly inaccurate and misleading" and demanded a public retraction, Mr Rousell stuck to his guns. He claimed that reputable market analysts and IBM's own annual report indicated that IBM UK had a £200 million trade imbalance in 1985.

This curious outburst signals what ICL is calling an aggressive new mood. It is hoping to move out of the ghetto of its own brand of operating systems, where it built up its existing customers, and expand by using more "portable" operating systems, which allow customers to take jobs written for one brand of computer and run them on another.

A recent computer from ICL, called the Unix, runs on the portable Unix operating system, which is finally becoming something of an industry standard. Two months ago it announced that its DRS range of small machines will



Alan Rousell: 'Software industry is with us'

run IBM PC programs like Lotus 1-2-3.

Mr Rousell believes that the adoption of industry standards by ICL could mean that "for the first time the software industry is with us".

One software house which used to refer to ICL as a jelly fish, now concedes that it is more like a dolphin, "slippery, but basically intelligent and friendly". One product that takes the fight right into the competitors' camp is Tradanet, a network service

for passing orders and invoices between companies with incompatible computers.

Ninety per cent of Tradanet customers do not have ICL machines — 70 per cent of them are IBM. So far the service is only available in the UK, but in May a group of deep-sea shippers, freight forwarders and carriers, including Ford, Glaxo, and Guinness, announced a pilot scheme to use the network for passing shipping documentation electronically rather than by paper.

With IBM clearly winning the battle for the sale of mainframes, especially outside the UK where ICL has consistently had little success, ICL is managing to sell in new markets. A laser scanner for supermarkets has won it two of Europe's biggest names in retailing, Euromarche in France and Renaissance in Italy.

It has lifted its US sales by 40 per cent in one year, so that unlike most British computer companies, it now makes a profit in the US market. Tomo Razmilovic, the Yugoslav-born head of ICL International, claims that through links with local software houses, ICL has now grabbed 60 per cent of the Swedish financial services market and 35 per cent of the French videotext market.

ICL has also sold 200 of its Unix-based system, the Clan, overseas in its first year. And for the first time since the late 1970s, more than 50 per cent of all ICL's production of minis and micros are now going abroad.

ICL has often been accused of suffering from the British complaint of inventing innovative products and then not exploiting them.

If ICL is to compete effectively with IBM and the other US computer manufacturers it will have to be faster on its feet. And, now it is leaving its private world, it will have to be more outward-looking and responsive to the real world.

How to keep the talent at home

By Geoff Wheelwright

US high-technology companies are reconsidering the brain drain tactics which have seen Silicon Valley firms cream off many of the world's top researchers and transplant them across the Atlantic.

As these often young companies reconsider their centralized US-based research and development strategies, they are being shown the way by older high-tech companies such as Hewlett-Packard and Honeywell. The idea is that research divisions outside the US can provide a global perspective on design and development problems and stand a better chance of attracting talent than if researchers are forced to move to the US.

In the UK, Hewlett-Packard's Bristol Research Centre provides a graphic example of just how well this philosophy can work. Opened less than 12 months ago, the huge West Country labs, specialize in developing networking and artificial intelligence software in three laboratories (one of which is completed and two of which

are being developed) employing 170 professionals.

The centre's director Don Hammond says the UK base for operations provides the company with far more European talent than if it had tried to entice people back to the US and acts as something of a magnet for graduates. "Countries invest heavily in research and education and it's frustrating to them when that research talent then goes overseas," he said. "That's a significant loss."

A similar tack has been taken by Honeywell in Italy, which has its entire computer printer and manufacturing facility based there. The

Honeywell Italia printer research centre employs more than 100 people and manufacturing of the products which result from that research also takes place in Italy.

In both cases, the fact that each firm has a European research and manufacturing base gives them a perspective on European standards (particularly important in the computer networking and communications business) that would be unavailable to those who cloister themselves in the Californian sunshine.

Unlike manufacturing facilities, which are often subject to the vagaries of the labour market and the short-term

requirements of supply and demand for products, research labs are established with a much longer-term view. Companies need to run them for between three and five years before they really start to pay their way — and even then their biggest asset will not be the site or the buildings, but the expertise which has been built up on the research staff.

UK companies have tried to emulate this philosophy in their establishment of "research parks" where contract work can supplement the kind of pure research which bears the fruit of real innovation. One of the more recent efforts in this direction was Sinclair Research's Cambridge Metalab, which unfortunately fell victim to the big slump in the home computer market which funded it.

Sir Clive Sinclair, who founded the Metalab, felt at the time that his company needed a theoretical research group unbound by the pressure to demonstrate a product which would flow from the research, but his home computer company eventually did not have the wherewithal to pull this off.

New ad air for Music Box

Do not think that new forms of television such as video cassettes and cable programmes mean you can escape the tyranny of advertisements. Even Music Box, the 24-hour-a-day TV service delivered by satellite throughout Europe is featuring commercials, despite differences in advertising regulations among receiving countries.

Logica has solved that problem by supplying more than 200 advertisement control units (DCUs), worth £145,000 to Music Box. From August, Music Box will sell air time to companies in more than 12 countries.

The ADCUs will allow Music Box to adjust advertisement requirements for different countries.



£8,500 - £20,000 + relocation

Congratulations may well be in order if you decide to make your next career move with our help. We have clients at the 'State of the Art' in areas of Electronic Engineering, Research and Development and Software/Hardware Development. Applicants must be educated to at least HND or over (depending on the position) with around 18 months' relevant experience. Vacancies for our various clients are available throughout the S.E. of England.

VACANCIES

TECHNICAL PROGRAMMERS
SOFTWARE ENGINEERS
MATHEMATICIANS
HARDWARE ENGINEERS
ELECTRONICS ENGINEERS
TEST ENGINEERS

APPLICATIONS

Software Development, Numerical Analysis, Simulation, Maths Modelling, Expert Systems, Pattern Recognition, Signal Processing, Communications, Analogue/Digital Design, Control Systems, RF/UFVHF, VLSI, IC, CAD/CAM, Naval/Military/Defence environment.

HARDWARE/SOFTWARE

IBM, ICL, DEC, PRIME, DEC, PDP, VAX, IBM PC, INTEL, MOTOROLA etc.

FORTHAN, CORAL, ADA, PASCAL, 'C', RTL2, FORTH, PROLOG, LISP, ASSEMBLERS (68000, 8080 etc.), MACRO or other relevant languages.

If you have suitable experience and wish to make a career move, please write giving full details (listing your telephone number — daytime preferably) or phone for an Application Form.

AMES PERSONNEL, 4A INFOWAYS ROAD, REBATE, SURREY RH2 0AR. TELEPHONE: REBATE (07372) 22491.

Our services are free to all applicants.

Extel

You have never needed timely information more urgently than now.

With competition sharpening every minute decisions have to be based on accurate data — that's why leading decision-makers everywhere use Extel services. They know that 113 years of providing information to the City, coupled with the most sophisticated computing and communications expertise, makes Extel unbeatable.

Whether you need one, some or all of the following:-

IAS — on-line multi-currency investment accounting and management

EXSHARE — database of over 90,000 international securities, including unit trust and offshore funds

EXBOND — database of 7,500 international bonds

EXSTAT — database of historical and current company balance sheet and P&L information

EXAMINER — real time financial and business news

RTF — real time pricing feed of equities, SEAG International, traded options, LIFFE, foreign exchange and gilts

you will find Extel ready with services tailored to meet your requirements

Our clients include Banks, Pension Funds, Insurance Companies, Fund Managers, Accountants, Investment Trusts, Solicitors and Financial Service Companies.

For further information contact Jackie McManus, on

01-638 5544

COMPUTER APPOINTMENTS

ALSO

APPEAR

ON

PAGE

17

OSI is getting the act together

By Martin Banks

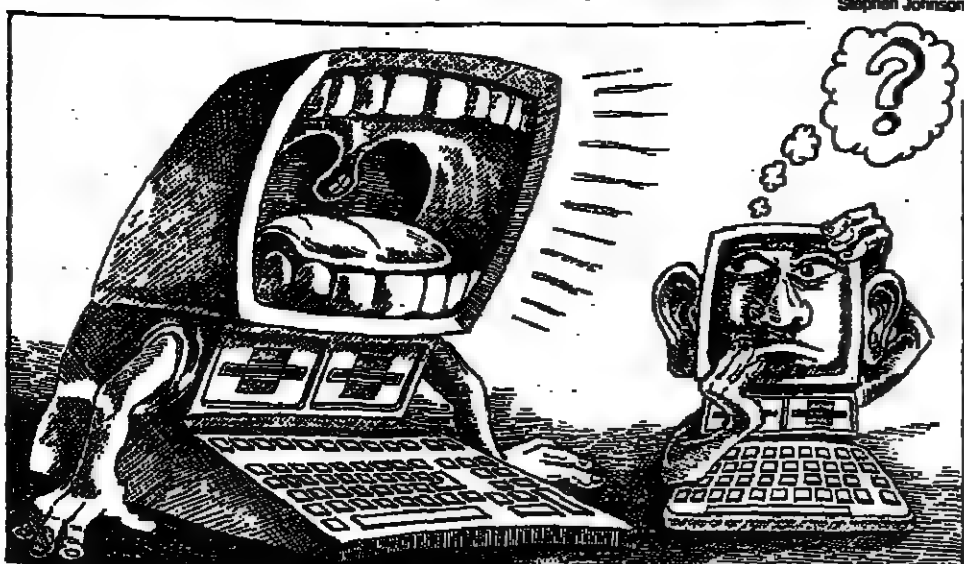
The pressure is now on to get Open Systems Interconnection (OSI) standards built into as many computer products as possible. The pressure, according to computer manufacturers, is coming from customers and they are happy the pressure is there.

OSI is a sweeping range of standards that govern the way in which computers communicate with each other. They range from the small — the actual signal levels and types — to the large — the way in which computer programs are written.

The object is to create a situation where, in theory at least, a computer of one make can communicate effectively with another of an entirely different type.

It is a situation that many customers are seeking, especially large corporations or organizations that have built up data processing operations based on a range of different computer systems.

At a recent seminar on the



current state of play, representatives of ICL, Digital Equipment, Hewlett-Packard and Honeywell all appeared to say the same thing — OSI is alive, kicking and growing in the right direction.

They all agreed that the first real OSI-oriented products should start appearing next year. These are likely to allow electronic mail and file transfers between computers of different types. But they also agreed that the majority of products and applications will not be commonplace until the middle of the next decade.

It is the difference between the systems, as represented by the companies at the seminar, that highlight the problems of communication. Different users need to communicate with

each other but have already made their investment in systems, and not all will have bought the same thing. They face the problem of communicating across these differences while protecting the investments already made.

By the same token, many of the manufacturers see OSI as an advantage to them. It will eventually allow communications across environments, so users will no longer be restricted to make a choice of one supplier for all their computer systems requirements.

By giving the users a freer choice the manufacturers contend they will have a much bigger marketplace to aim at. Equally, some will lose customers previously tied to their brand.

Removing proprietary barriers to communications between systems means that there will soon be just two standards from which users will choose. OSI and IBM's own effective standard, established by its dominance in the market, Systems Network Architecture (SNA).

Even IBM is now having to acknowledge the potential of OSI by starting to support it as a communications environment for IBM computers.

There is, however, much real work still to be done to get OSI beyond the paper specification stage and meet the pressure from customers. Common applications structures must be developed and connections between OSI and SNA.

A way forward for survival

Manufacturers on both sides of the Atlantic were the focus of attention last week as computer and automation experts tried to draw their attention to technologies that are fundamental to their industries' survival. On both sides of the ocean the growing dominance of the Japanese in manufacturing is disturbing but their success Western manufacturers attribute largely to high precision automation.

The Western manufacturers have been making strides towards top grade automation on a par with the Pacific Basin but ignorance and a fear of long-term investment is at the heart of their inhibitions.

In Britain last week the spotlight was turned on the UK factories in a comprehensive study by the Policy Studies Institute. The UK manufacturers have made substantial progress in incorporating microchips into their products and production processes. Two-and-a-half times as many such products and processes now use the versatility of microelectronics than was the case four years ago.

The bad news was dual-edged. First, more than 80,000 jobs have been jettisoned by these manufacturing groups in the last two years — three times as many as in the previous two-year period. The companies' shortage of key personnel and poor track record in training prevented many of them from capitalizing on the market opportunities for new products and skills.

The PSI report was emphatic about the way forward. Its conclusions underwrote the cries which have been made in recent years by the TUC, NEDO, the House of Lords and many experts who have studied the shortage of key skills in the

UK. PSI recommended: "The constructive way forward: stepping up training and retraining so as to end damaging skill shortages and at the same time help ensure that losses in old jobs are offset by gains in new ones."

The study predictably highlighted that the British-owned companies had the worse track record and clearly showed that UK management is at fault. The PSI survey concluded: "The overseas-owned factories in Britain are using microelectronics more than British-owned ones. Complex, advanced kinds of applications are still rare... the most widespread obstacle, regarded as a very important

practical sample ever staged — is not a blueprint for an automated factory. It shows what can be done if management is committed to using computers and automation on the shop floor but above all if they are properly informed."

Jim Burns, head of Arthur Andersen's manufacturing consulting and integration team which set up the project, says much blame can be attributed to management. That would apply to both sides of the Atlantic. He says: "To compete in an international marketplace the manufacturing industry needs to take the significant strides made in computer technology and apply them to production."

A short distance from Chicago Arthur Andersen is addressing the other question — how to keep training a workforce when demands are changing those of the technology and the marketplace. The automated factory highlights the demand for those skills. They are principally Computer Aided Design (CAD), Computer Aided Manufacturing (CAM), computer technology, robotics, automated material handling and control software.

The Arthur Andersen answer to the training question is the same as those who have studied skills shortages in the UK — more investment. The workforce in question is Arthur Andersen's. In small town St Charles, built on the site of what was once a Dominican Liberal Arts College, a \$85 million investment by the end of the decade will create a college capable of 60,000 days of training a year.

Today, artificial intelligence (AI) courses are attracting the major interest. It is no coincidence that AI will be the primary tool in the automated factory of tomorrow.

THE WEEK

Bill Johnstone

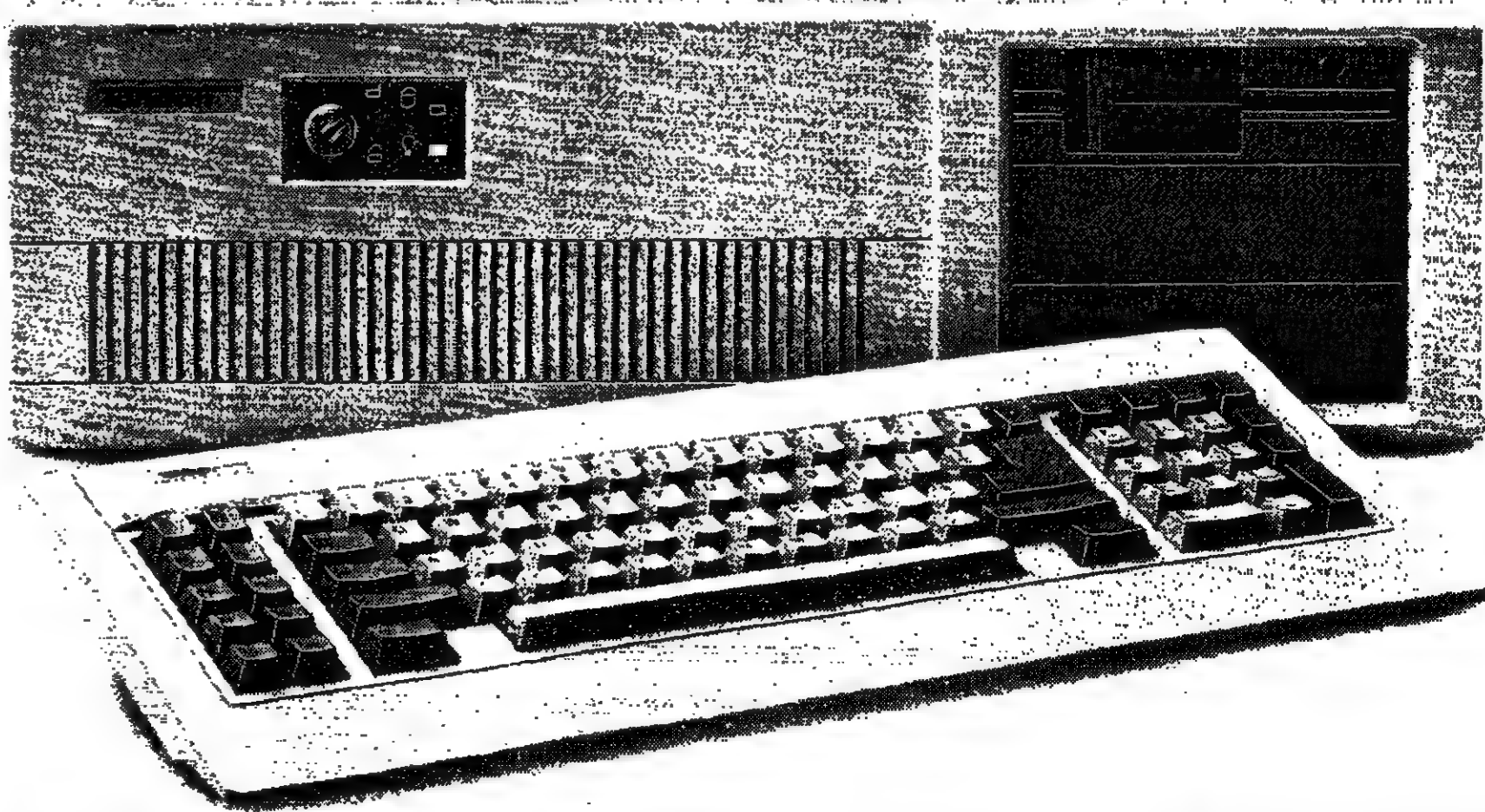
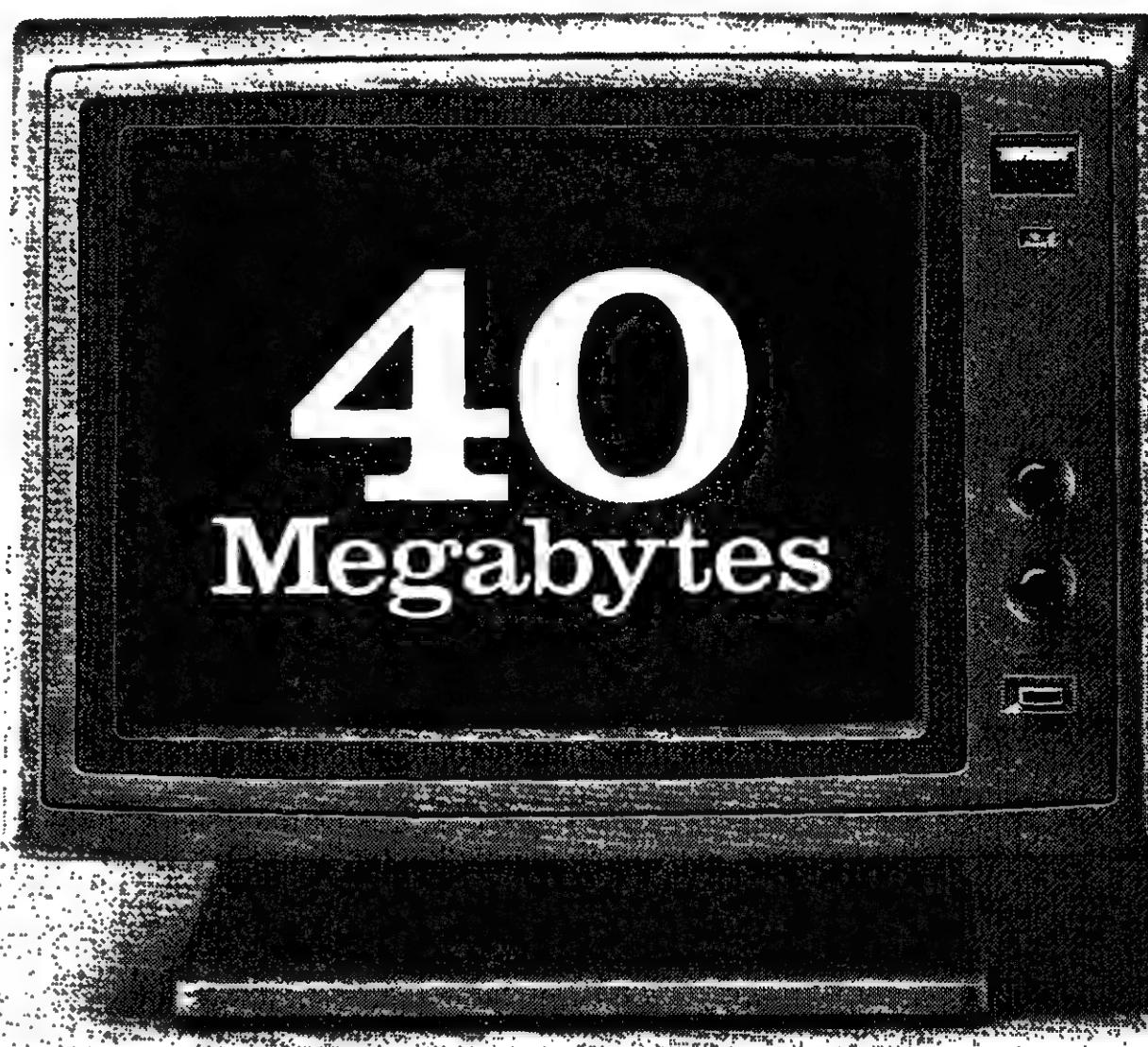
Technology Correspondent

difficulty by nearly half the user factories, is lack of specialist technical expertise."

In Chicago last week the management consultants Arthur Andersen tried to answer both questions — scarce technology and the personnel to harness it. While the British pillory themselves for their reluctance to embrace technology many US companies have been suffering from the same problem. Arthur Andersen brought together 13 automation companies to build a \$11 million mini factory to show to a reticent US manufacturing industry what can be achieved by using off-the-shelf products with good computer systems expertise.

The Chicago example of what is termed Computer Integrated Manufacturing (CIM) — deemed to be the most

The New £2,995 Tandon PCA-40.



Shouldn't your business begin at 40? Or 30? Or 20? Or 10? Or...

The new PCA-40 makes a total of seven Tandon models to choose from.

So wherever your business begins, Tandon has the right personal computer for you.

The PCA-40 is our new flagship computer. With 40 Megabytes of fast access disk storage it has the capacity to handle the largest, most demanding tasks.

And like our other models, the PCA-40 is IBM compatible. So you have immediate access to the world's largest library of business software.

Typically our computers are priced around 40% below the equivalent offering from IBM.

But with the PCA-40 there is no equivalent. Because only Tandon can offer you a complete 40 Mbyte system for £2,995.

For further information on the Tandon PCA-40, and the full Tandon range, as well as your complimentary copy of Access Software magazine send off the coupon or phone Tandon on 0527 46800.

Shouldn't your business begin with a Tandon?

Please send me the Tandon Information Pack which includes my complimentary copy of the Access Software magazine and details of how to obtain my FREE subscription. Tandon (UK) Ltd., Freeport, Redditch, B97 4BR.

Name/Job Title

Company/Address

Postcode

Tel:

Tandon
Less Money. More Megabytes.

Compaq: 6 new models!

Compaq Portable II now available in 4 versions: lighter, smaller, sleeker, new keyboard, 80286 8MHz processor, 256k expandable to 4.1 megabytes. Floppy or 10/20mb hard disks. From £2655. New Compaq Deskpro now with 640k and 20mb hard disk. Call for more prices on the complete Compaq range.

MORSE COMPUTERS 78 High Holborn, London WC1V 6LS Telephone 01-831 0644, Telex 262546

Wright Air Conditioning

— for your computer room —

COMPUTER ROOM CONSTRUCTION, AIR CONDITIONING, MAINTENANCE & CONSULTANCY

022-773 8421

BIRMINGHAM
BRISTOL
GLASGOW
LEEDS
LONDON
NEWCASTLE
WOLVERHAMPTON

IBM Personal Computer, £1090!

Our lowest ever price for an IBM PC, complete and ready-to-use with IBM mono display, one 360k disk drive, parallel printer adaptor, UK keyboard, manuals and diagnostics. Also the PC/XT with latest enhanced IBM keyboard (12 function keys), 10mb hard disk etc, now £1650.

IBM AT/XT with 20mb hard disk & 1.2mb floppy drive, £2850. Call for more prices on the complete IBM range.

MORSE COMPUTERS 78 High Holborn, London WC1V 6LS Telephone 01-831 0644, Telex 262546

The business event for personal computer users.

Europe's largest event for IBM PC compatible products with 1000's of the latest offerings from Apricot, Olivetti, Ashton Tate, IBM, Sperry, Microsoft and Ericsson, as well as 200 other companies.

Amongst the computer, software, training, dealer services, printers and disc drives, you can see — in action — all the PC products you've read or heard about. Many on show in the U.K. for the first time.

**1986
PC USER
SHOW**

10am - 6pm, Wednesday 16th July

10am - 6pm, Thursday 17th July 10am - 4.30pm, Friday 18th July

Sponsored by PC USER magazine

The people's president



High hopes! The President was presented with a ball signed by the national soccer team on his 65th birthday...last year

President Richard von Weizsäcker, who begins a state visit to Britain this week, is surely what heads of state should be in the eyes of their people, but what — given the random way in which states get their heads — they so often are not. He is an idealized version of how his country's citizens see their own, or their countrymen's, best qualities.

President von Weizsäcker is elegant, urbane, devout and scholarly, as well as stern, but just. His humour is understated. His bearing has a touch of melancholy and even tragedy — only proper in the representative of a people with such a past. He is popular with the young, without pandering to them, as is the case with so many of the elderly who achieve such popularity.

His hair is white, his features noble. Of course, most West Germans know that they are not at all like that themselves, any more than any other people are really like their national ideal. West Germany's menfolk, and its women, much more resemble the altogether less spiritual

Herr Helmut Kohl: amiable, often rather large, well-meaning, worried about non-conformity in their midst, impatient with too much brooding on the German past. While heads of government come and go, heads of state are supposed to embody certain eternal qualities about a country. In a state which was founded only in 1949, this is not easy.

What are the eternal qualities of the German Federal Republic? In the eyes of the rest of the world, they probably include eternal prosperity, political stability, a deference in politics, forced on West Germans by the past, to the opinions of other countries, and a vast number of boisterous, although non-violent, tourists thronging the Mediterranean throughout the summer.

The West Germans see themselves in this way too. But it is not the whole story. They also see themselves as a tragically divided nation, or think they should. Most accept that they are divided by the crimes of former leaders



Richard von Weizsäcker, an outstanding President of the Federal Republic, begins a three-day state visit to Britain today

and led, and that they have little hope of being united again in the lifetime of most Germans now living. But that does not lessen the tragedy. In a way, it deepens it.

Naturally, the West Germans do not spend much time brooding about this subject. It is probably unlikely that they would endanger their standard of living to bring about reunification, even if they had the chance. But Herr von Weizsäcker broods about it for them.

Of the Federal Republic's presidents so far, he is the one most identified with the idea that all Germans constitute a German nation. When he was governing Mayor of West Berlin in the early 1980s, he broke with protocol by visiting in East Berlin the East

German leader, Herr Erich Honecker. This annoyed the British, Americans and French, who thought it would complicate the city's legal position.

The idea of a single German nation understandably worries the rest of us, as well as providing the Soviet Union with a useful spectre with which to frighten the rest of Eastern Europe and its own population. But in the hands of Herr von Weizsäcker, the idea is used delicately.

"The German question remains open," his antithesis, Herr Kohl, genially observes every now and then, and no one knows what he means. It is assumed that he is just shoring up that portion of the Christian Democrat (CDU) vote which might desert the

party because the CDU has continued in government the *Ostpolitik* which it opposed when it was introduced by the Social Democrats (SPD).

The CDU's defence is that *Ostpolitik* is safe when conducted by a party firmly rooted in NATO, but the real reason is that *Ostpolitik* — because it has led to more family visits by people living in the East — has pleased more voters than it has upset.

Herr von Weizsäcker softens the harsh sound of "German unity" by making it primarily mean, for the foreseeable future, cultural rather than political unity. The German nation is a cultural body which, for the indefinite future, has been divided into two states. There is nothing here to justify either the Soviet charge that talk of German unity amounts to "revanchism" or the more unofficially expressed Anglo-American charge that it amounts to "neutrality".

In Herr von Weizsäcker's pronouncements on unity, gathered into his book, *Die Deutsche Geschichte geht weiter* (Germany: History goes further), political unity emerges as an ideal, to await the gradual decline of tension in Europe. None the less, the reader is left with a feeling that it is best if only a von Weizsäcker — rather than the conventional West German politician of CDU or SPD — discusses the fraught subject.

One of the reasons Herr von Weizsäcker gives for his association with the unity theme is his roots in more than one region. He has been mayor of West Berlin, but comes from Baden-Württemberg in the south.

Whatever fame he had achieved in his country, he did not impinge on the world's consciousness until May 8, 1985, when he was 65 and had been president a year. On that date, he delivered a speech to the Bundestag (Federal Parliament in Bonn) on the 40th anniversary of the end of the Second World War in Europe. The world, if it was expecting anything of the occasion, probably expected platitudes — the Nazi period having been, 40 years ago, most Germans being either unborn or too young to remember it, and West Germany now being a pillar of NATO.

Instead, as well as being an orthodox statement of faith in the new Germany, the speech was a restatement of German guilt for the Nazi period and a call to repentance. Especially unsparing of his countrymen was a passage in which their president made it clear that they had known of the Jews' fate. He asked who could have remained unsuspecting. Those who had their eyes and ears open, he said, those who wanted to inform themselves, could not have failed to see that the deportation trains were rolling.

The Israeli ambassador to Bonn said the speech was a "moment of glory". A government information agency printed 250,000 copies for

distribution in schools. A Hamburg company issued it in the form of a disc and a cassette, simply entitled *Die Rede*. Herr von Weizsäcker's oration had come only a few weeks after the macabre buffooneries attendant upon President Reagan's wreath-laying at the German Second World War cemetery at Bitburg.

Herr Kohl had been hurt that so staunch a democracy and NATO member as West Germany had been left out of the D-day celebrations in Normandy that year, as if today's Federal Republic were a continuation of the old Germany. Partly in recompense, President Mitterrand had staged a ceremony of Franco-German reconciliation, standing hand in hand with Herr Kohl at Verdun.

Herr Kohl wanted a similar ceremony with President Reagan — if not a hand-holding, then at least a wreath-laying. President Reagan was prepared to lay the wreath, and a cemetery was selected. It was a case of one jovial, easy-going politician obliging another.

A West German liberal newspaper referred, tellingly,

Reagan gaffe that pleased the nation

to too much "reconciliation chic". There was no telling what atrocities had been committed by those soldiers lying in Bitburg. American reporters, among others, offered many suggestions, and some evidence. Upstart gossips in the United States, Herr Kohl had embarrassed President Reagan.

Then President Reagan embarrassed himself. A foolish speech-writer put into his mouth the notion that the soldiers in Bitburg were as much the victims of Nazism as anyone else. This denial of the individual's responsibility for his own actions was especially odd in a politician who was supposed to be a conservative, and suggested an imperfect grasp of his own philosophy.

But Herr Kohl, and most West Germans, were well satisfied. It was by blurring the distinction between victim and perpetrator that the "typical" West German had long come to terms with Nazism: everyone was a victim.

Then came their president's speech to remind them what, in their hearts, they surely knew all along. There is some evidence that Herr Kohl, and his circle, were annoyed by the speech. Bitburg, and President Reagan's talk of victims, had been a triumph for them. Now these tortured reflections by the head of state were complicating the problem once more. However, a year later, most Germans would prefer to identify themselves with the speech.

Frank Johnson

A private in an elite regiment

Freiherr (Baron) von Weizsäcker was born in a family castle in Stuttgart on April 15, 1920, into a line of diplomats, politicians, theologians, jurists and scientists. His older brother, Carl Friedrich, now 74, is a theoretical physicist and is identified with the Social Democrats (SPD). Their father was a diplomat.

Within a year of his birth, Richard was off on the wandering life of the diplomat's child: Switzerland, Denmark, Norway, sometimes Berlin. Later, Richard had terms at Oxford, where he developed his English, and at Grenoble, where he did the same for his French.

Eventually, his father served at the German embassy in London under the ambassador, von Ribbentrop, and in 1938 became the equivalent of permanent secretary of the Foreign Office in Berlin.

Richard was 18 when the Second World War began. He was called up as a private in the Potsdam Light Infantry. This is customarily described as an "elite" regiment, containing the sons of many aristocratic and distinguished families. Many of its members took part in the July 1944 plot against Hitler, after which the regiment was effectively disbanded.

Richard's brother, Heinrich, was in the same battalion. The two brothers went into the same action together. In Richard's sight, Heinrich climbed an embankment, received a bullet through the throat, and died. It was still the first day of the war. Richard stayed with the

Herr von Weizsäcker served in the east throughout the war. After the German invasion of Russia, he became a company commander, and then regimental adjutant. Although the excuse is available to him that he was always a front-line soldier, he does not deny that he and his friends knew that atrocities and deportations were taking place behind the lines. At first they did not know the extent.

Eventually, that was discovered during leave in Berlin by one of his circle, Herr Axel von dem Bussche, the officer who carried out one of the earliest attempts on Hitler's life.

Herr von Weizsäcker was wounded three times, the last time in April 1945, as the war was ending. He was evacuated to a hospital in southern Germany. On discharge, he put on civilian clothes and gave himself up to the French, who, because he was not in uniform, did not intern him.

When some sort of order had reasserted itself after the German collapse, he studied law and history at Göttingen. Then his father, Ernst, was arraigned at Nuremberg in the "Wilhelmstrasse" trial, the proceedings against German diplomats for allegedly helping to bring about the war.

Richard, although not yet qualified as a lawyer, helped to prepare the defence. He does not depict his father as having been a determined opponent of Hitler or the war. He has made the painful admission that his father was honest, but not strong. But he did not

Scratch the surface and you'll find Hoechst High Chem

You needn't go far behind the surface of British industrial success to find Hoechst at work.

As one of the largest German investors in the UK we supply not only raw materials to industry but also the knowledge and techniques which help to make tomorrow's progress possible.

To this end we employ almost 7000 people in the country and commit over £3 million annually to pharmaceutical research and development at Milton Keynes, just one of our 26 centres in Great Britain.

All as part of our worldwide philosophy of Hoechst High Chem, devoted to harnessing the discoveries of science to the needs of industries as diverse as British agriculture, North Sea Oil, communications and electronics, building, engineering and textiles.

With over £75 million worth of annual exports, laying a further foundation to Britain's economic prosperity.

A foundation that's firm, yet never far below the surface.

Hoechst. The High Chem Company

Hoechst



We spend £10 million a week on research to produce better chemicals, pharmaceuticals, fibres, plastics, dyes, agrochemicals, veterinary products, reagents and many other vital products. For the complete picture, please send for a copy of "Finding New Ways" to Hoechst UK Ltd., Publicity Dept R, Salisbury Road, Hounslow, Middlesex. TW1 1GF. Telephone: 01-835 7121. Fax: 01-835 7166.

Prosperity is no longer enough



The next election to the Bundestag or Federal Parliament in Bonn will take place in one ballot on Sunday, January 25, 1987.

The government trying to be re-elected is a coalition — the majority of whose members owe allegiance to what must be one of the most successful, but most unsung, causes of the post-war world — Christian Democracy.

No governments anywhere since the war have been more successful than the West German governments led by, or containing, the CDU since the Federal Republic was set up in 1949 — if successful government means government presiding over prosperity.

A recent opinion poll showed that a majority believed the government was responsible for the prosperity, but still intended to vote for the opposition Social Democrats (SPD). A commentary on the poll speculated that this was because voters now believe they do not live by bread alone. They were more concerned about such things as the environment.

This was not entirely borne out by the result of the recent Land election in Lower Saxony — the last good test of real voters before the general election. The CDU lost its overall majority in the state, and was forced into a coalition with the liberal Free Democrats (FDP). But the Green's vote remained unchanged at seven per cent, even after Chernobyl had led to weeks of apparent West German torment about whether the country's own nuclear power industry was safe.

If the present federal government loses in January, it will be a rare case of "prosperity" not being enough to get a government re-elected. For a decade, various authorities have been saying that the West German economic miracle was ending or had ended. Thus the most "Keynesian" of the country's famous five economic institutes, the German Institute for Economic Research (DIW), solemnly warned last week that West German growth

next year would be 2.5 per cent, instead of the 3 per cent or more expected for 1986. It urged upon the unrepentant finance minister, Herr Gerhard Stoltenberg, more expansion.

The reason this advice will not be taken — or at least not to an extent which would ever satisfy the institute — is inflation. West Germans such as Herr Stoltenberg equate "expansion" with unacceptably high inflation.

Herr Helmut Kohl, the Chancellor, was originally a provincial politician (Prime Minister of the Rhineland Palatinate, 1969-1976), and his opponents say he always will be. He is much derided for his alleged lack of the cosmopolitan graces. Of the complaint that he speaks no English or French, he recently said: "I was not elected as an interpreter." He has also said that he does not regard provinciality as a reproach.

There is not much doubt that the country he does understand is West Germany. In particular, he has mastered the inner workings of the CDU.

This mastery meant that Herr Kohl was in a position to become Chancellor in October, 1982, because he was CDU Chancellor candidate when the liberal Free Democrats switched from the Social Democrats to the CDU and brought down Herr Helmut Schmidt. Herr Franz Josef Strauss had been Chancellor candidate two years before and had been overwhelmed by



Politicians and conflict: Christian Democrat Kohl, left, Social Democrat Rau, and, below, peace campaigners and Greens blocking a U.S. army base near Nuremberg



Herr Schmidt. The Kohl government was confirmed in office at a general election in 1983.

Herr Kohl will be opposed in January by another provincial politician, Herr Johannes Rau, aged 55, the Prime Minister of the largest Land, North Rhine-Westphalia, and the son of a Protestant preacher. Only a few points tend to separate them in the opinion polls — sometimes Herr Rau is ahead, sometimes Herr Kohl. More ominously for Herr Rau, in the party rating, the CDU is usually the vital two

or three points ahead of the SPD.

The men's contest is between two forms of German provinciality. Herr Kohl's is that of the *gemütlich* small towns among the woods and hills of the southern Rhineland. Herr Rau's is of the industrial towns of the Ruhr, such as his native Wuppertal. He brings to nearly all problems the same *bonhomie*, and the Social Democrat belief in benign government.

Herr Rau's party rumbles with future dissensions about how much it should continue to be part of the orthodox pro-Nato consensus. Herr Rau is an orthodox-Nato man. Win or lose in January, the SPD will be troubled by those who are not. He has one great issue: unemployment, now 8.5 per cent or 2,121,000. He thinks unemployment was why he was re-elected in North Rhine-Westphalia last year when the rate in the Land was over ten per cent and the federal government was blamed for it.

Against this, Herr Kohl will pit his inflation figure of better than zero.

Coded buzzwords and a longing for harmony

With its veneer of blandness and coded buzzwords, the West German debate on foreign policy often threatens to become impenetrable to outsiders. Yet opinion is deeply divided about the Federal Republic's place in the world; and the acrimony which inevitably accompanies the constant intrusion of "the past" (itself a code word for the Nazis) into electoral and parliamentary politics is especially disturbing to a nation with an almost neurotic longing for harmony.

On visits to the developing countries, for instance, President Richard von Weizsäcker allows himself strong language in opposition to "technocratic development aid" designed to introduce a cosmopolitan civilization, thereby aligning himself with left-wing critics of so-called technocratic thinking — such as Erhard Eppler, and apparently he has not much against revolution in countries with great disparities in wealth.

When the Third World country in question was Libya, however, Herr von Weizsäcker chose to diverge from Bonn's line in the opposite direction, if only slightly. While Herr Hans-Dietrich Genscher, the foreign minister, dissociated himself from the American reprisals without condemning them, and Chancellor Helmut Kohl showed "understanding", but no more, for the action, Herr von Weizsäcker was much less mealy-mouthed when he visited the victims of the discotheque bomb in West Berlin.

President Reagan's action was, he said, not only unavoidable, but right; the West Germans had the United States to thank for their freedom.

Although Herr von Weizsäcker often irritates German conservatives by insisting, for example, on a distinction between the victims of the Nazis and those who died in air raids or battle, there is a close connection between his strong condemnations of anti-Semitism and of anti-Americanism.

The latter may be no better than the former for Peter Giotz, a leading Social Democrat politician and publicist, but he and those who think

like him often seem to be defining their "second Ostpolitik" or "alternative foreign policy" in opposition to the United States.

More important, perhaps, than such ideological "decoupling" tendencies is the pragmatism which Helmut Schmidt was unable to sustain in office, but which the freedom of opposition has let him advocate all the more effectively in the pages of the weekly *Die Zeit*.

The difference between Herr Genscher and his supporters in the ruling coalition, and the constituency represented by *Die Zeit*, is less a matter of concrete policies than one of tone. It does not strike the journal's veteran editor, Marion Dönhoff, as condescending to say that "the Europeans do not understand that the Americans basically are not interested in foreign policy and have no feeling for it".

The crucial concept is that of realism. Herr Schmidt reacted to the Libyan crisis in a matter which many Germans of all parties found persuasive: "Colonel Gaddafi is a mis-

guided idealist... President Reagan is a moralist, European governments must be realistic."

It is hard to imagine any member of the present US administration being presented as kindly in *Die Zeit* as was the East German leader, Erich Honecker — "A German Communist, a German Realist", the headline read — in a rare interview in January.

Herr Honecker's confidence in the "realistically minded forces" opposed to the Strategic Defence Initiative has yet to justify itself, for the Federal government's negotiations with Washington, though rather protracted and clumsy, have resulted in a deal which will regulate research contracts.

Bonn's relationship with the Warsaw Pact powers, which is of immense importance to both sides, has in recent years been made more sensitive by the ability of both Herr Honecker and the Kremlin to influence public opinion, and

hence the always finely-balanced electoral position, to a degree unparalleled elsewhere in Western Europe.

However, the refusal of the electorate of Lower Saxony to punish the Christian Democrats (CDU) for the Chernobyl disaster by a mass exodus to the neutralist Greens on June 15 may demonstrate that this influence, despite the good personal press of both Herr Honecker and Mikhail Gorbachev in West Germany, is waning.

Chernobyl led to West German claims for compensation, which provoked sabre-rattling by Mr Gorbachev; but the Soviet Union has since moderated its tone, and *Izvestia* even printed Ambassador Jörg Kastl's reply, an unprecedented concession.

The signing in May of the cultural agreement with the German Democratic Republic, about which negotiations had begun in 1973, will not have satisfied those in the SPD, for example, who have recently proposed dropping the clause in the constitution which asserts the freedom and unity of all Germany.

The SPD's shadow Chancellor, Johannes Rau, has rejected such ideas and protested his loyalty to the Alliance. His predecessor, Hans-Joachim Vogel, has gone on the offensive, with next January's election in mind, against the CDU's anti-Communist *Stahlhelm* group, blaming them for Herr Honecker's failure to visit Bonn hitherto.

But the latter has far more to do with Soviet fears of "revanchism", given a new pretext at Whitman with the appearance of Chancellor Kohl and Franz Josef Strauss at rallies of Sudeten Germans and Siebenbürger Saxons.

Such gestures pale into insignificance, of course, by comparison with the mushrooming economic interdependence of the Federal Republic and the Soviet bloc. It is this which makes it just conceivable that a Social Democratic-Green coalition might spurn the capitalist West, as Germany did briefly in 1922 at Rapallo — a vital code word on the left. Rudolf Bahro, the Green guru, considers Rapallo "a perspective for the whole of Europe".

Daniel Johnson

President who was once a private

Continued from previous page

believe that he was a criminal. In that view he was supported by Churchill who thought the indictment an error. Ernst had maintained discreet contacts with anti-apartheid circles when in London in the 1930s.

In 1949 he was sentenced to five years' imprisonment. After 18 months he was released in a general amnesty, wrote a slim, self-justificatory memoir, which probably exaggerated his resistance activity, and

died shortly afterwards.

Richard went into corporate business, holding such posts as head of the economic department of the Mannesmann steel concern. He became a figure in the Protestant churches, serving as head of their congress for a while. He married his wife, Marianne, in 1953. They have three sons and a daughter.

He did not enter politics until he was in his late forties. He was elected to the Bundestag in 1969 as a Christian

Democrat. Within five years, he was CDU candidate for the presidency, but was defeated by the Free Democrat (FDP) Herr Walter Scheel, the candidate of the ruling SPD-FDP coalition government.

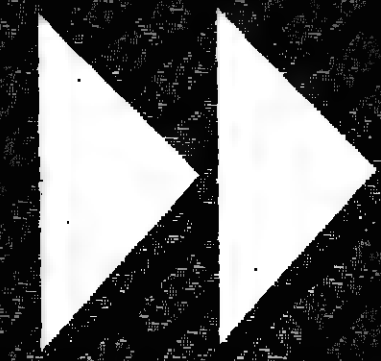
In 1981 the CDU thought he would make an ideal candidate for governing mayor of West Berlin, a city previously ruled by the SPD. They were right. His prestige in West Germany became immense, even though he was

a party politician.

In 1984, when the presidency next fell vacant, and with by then a CDU-FDP majority in the Bundestag, he seemed the inevitable government candidate. Herr Kohl is said to have had some initial hesitation, as no one doubted that Herr von Weizsäcker would be a formidable, and occasionally inconvenient, president — the office to which he was elected on May 23, 1984.

FJ

THE LATEST ADVANCES IN LEISURE TECHNOLOGY COME FROM GRUNDIG



GRUNDIG

FAST FORWARD INTO THE FUTURE.

From sophisticated FST Televisions with CTI to combined TV/Videos; from pre-set teletext to video security devices and advanced satellite TV receivers — Grundig's forward thinking and expertise brings the future closer, faster.

A HISTORY OF TECHNOLOGICAL INNOVATION.

- 1887 — First Bosch magneto for stationary engines.
- 1897 — First Bosch magneto for cars.
- 1902 — First Bosch spark plug.
- 1913 — First Bosch electrical system for cars.
- 1927 — First Bosch diesel fuel injection system.
- 1932 — First Bosch electric hammer.
- 1933 — First Bosch refrigerator.
- 1936 — First Bosch electronic TV camera.
- 1951 — First Bosch petrol fuel injection for cars.
- 1958 — First Bosch washing machine.
- 1967 — First Bosch electronic petrol injection system (Jetronic).
- 1970 — First Bosch electronic power tool.
- 1973 — First Bosch fully electronic car radio (Blaupunkt).
- 1976 — First Bosch swivel arm industrial robot.
- 1978 — First Bosch anti-lock braking system (ABS).
- 1979 — First Bosch computerised engine management system (Motronic).
- 1983 — First Bosch spark plug with sintered in platinum electrode.
- 1985 — First Bosch traction control system for cars (ASR).



BOSCH

Excellence comes as standard.

WEST GERMANY/3

FOCUS

The nation waits for a second miracle



Do miracles happen? And if so, twice? The post-war performance of the German economy is always referred to as the *Wirtschaftswunder* (economic miracle). Between 1950 and 1973 gross national product increased at an average annual rate of more than 6 per cent.

Germans are now asking themselves whether the miracle might happen again.

The length and vigour of the post-war boom came as a surprise. Even in the classical period of German industrialization, between 1871 and the First World War, growth rates had been below 3 per cent.

The contrast with the inter-war years was even more remarkable. There had been little growth in the 1920s and then there was a depression of such severity that it destroyed the fragile democracy of the Weimar Republic. After the devastation of the Second World War it seemed to some observers — such as the British economist Thomas Balogh — that Germany would never recover.

This is the background to the liberalization and deregulation that was imposed after 1948. The inter-war economy seemed to be a textbook example of the dangers of interventionism. Weimar had had an over-inflated welfare state. In the 1930s Nazi economic policy produced growth, but required ever higher levels of armaments expenditure in order to keep the economy stable.

Instead, Ludwig Erhard, who became Economics Minister in the first West German government, proposed to set up a "social market economy" (*soziale Marktwirtschaft*), basically a market system with a welfare element. Erhard shocked his advisers by calling for an almost complete ban on controls in the wake of the 1948 currency reform.

At first most people saw only the negative sides of decontrol. Goods which previously had simply been unobtainable now became frustratingly affordable. Rationing actually appeared to have been more social.

It was only later, after substantial growth, that Erhard's model began to attract a wide degree of support. Liberalization meant that Germany was in a good position to take advantage of several favourable opportunities. Refugees from the East provided a mobile, ambitious, and also skilled labour force. Together with the large number of workers leaving agriculture they made Germany into a cheap wage economy.

However, there was also a long way to catch up as a result of the dismal experience of the inter-war years. Advanced American technology was easily imported and could, given the favourable conditions in Germany, have a revolutionary effect. This combination produced high rates of growth and investment and a considerable general prosperity.

The slowing down of growth in the 1960s and the occurrence of business cycle depressions were more or less inevitable once these uniquely favourable circumstances stopped operating. While the SPD Economics Minister of the late 1960s, Karl Schiller, remained a faithful and even passionate advocate of *soziale Marktwirtschaft*, within the social market economy the balance began to swing. "Social" was gaining the upper hand over the market.

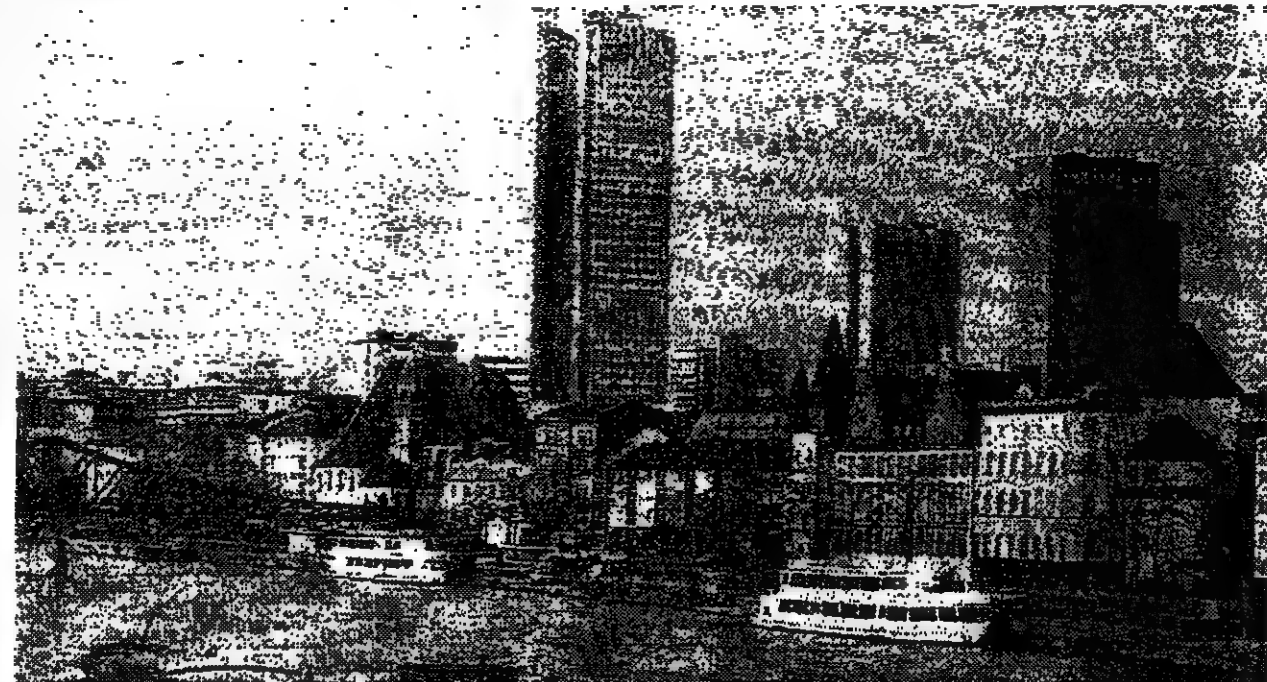
One consequence of the high post-war growth rates was that expectations about what economic growth might provide were raised. Already in 1957 pensions were moved higher in order to reflect the high growth rate. By 1971, in the course of a reform of medical insurance, policy-makers were obliged to make the quite extraordinary assumption that there would be growth of 9 per cent annually.

The extent of the new claims on the German economy is shown by the rising share of social expenditure in gnp. This rose from 20.7 per cent in 1960 to 25.5 per cent in 1970 and to 31.9 per cent in 1975. By the mid-1970s there was a clear problem: wage costs rose steeply from the late 1960s relative to productivity, and the cheap wage economy had become a thing of the past.

Unemployment rose to more than a million in 1975, and remained at that level for the rest of the decade. In a response conditioned by Keynesian assumptions, public sector deficits moved out of control (to 6.6 per cent of gnp in 1975).

It is true that some of the difficulties were consequences of the oil price shocks — but these shocks also helped to demonstrate how inflexible the German economy had become. Some commentators thought Germany was suffering from "English disease", and they invented new terms such as "Euroclerosis". Instead of wondering about why Germans worked so hard, newspapers ran series on "Are the Germans lazy?" The end of the *Wirtschaftswunder* was at hand.

The crisis atmosphere of the 1970s led to the breaking-up of the social-liberal (SPD-FDP) coalition, as the small FDP



GNP, 1980 market prices (DM billion)

1980	1485.2
1981	1485.3
1982	1471.0
1983	1493.5
1984	1538.9
1985	1576.0

* 1985 GNP in current prices: 1837.9

Real GNP per annum growth (%)

1951-60	8.0
1961-70	4.7
1971-80	2.9
1981-85	2.7

Sources: Bundesbank, OECD

Above: The skyscrapers of the financial district of Frankfurt, looking down on the River Main. Right: A car industry which offers considerable vocational training



put pressure on the SPD for dramatic economic measures. In this sense Chancellor Kohl and his government are products of the 1970s gloom. Like other conservative responses elsewhere in Europe it is less intellectually coherent than some of its proponents would claim.

The framework of *soziale Marktwirtschaft* is still there — occasionally redefined as a "society of reconciliation" — but there is a desire for a new departure (*Wende*).

The formidable and complex structure of government subsidies to industry, let alone the agricultural subsidies of the EEC's Common Agricultural Policy (CAP), are still basically undisturbed. On the other hand, public sector deficits have been cut back enormously (from 4.1 per cent of

gnp in 1982 to 1.9 per cent in 1985).

At the same time there is a quite bold move to give a fiscal stimulus through a two-stage tax cuts programme. The first part of which, costing DM 11 billion (about £3.23 billion) is being implemented this year. The last part, involving a reduction of marginal rates, will follow in two years' time.

The successes appear to be considerable. Since 1983 the recovery has been vigorous, and talk of *Wirtschaftswunder* is back in the air. Productivity has been rising: gnp per worker increased in 1983 by 3.4 per cent, in 1984 by 3.1 per cent, and in 1985 by 2.4 per cent.

An investment boom, based on extensive construction of new plant, is being followed by a more evenly spread recovery. Even building, which

seemed to have been completely left out, is doing well in 1986.

Recent developments are still fundamentally encouraging. The rise of the mark against the dollar has helped to cut import prices, while exports are still performing well as a consequence of the world recovery. Only a relatively small share of German exports go to the United States and are affected by the weak dollar. Current account deficits in the early 1980s turned in 1985 into a surplus of DM 38.8 billion. This year the surplus will be substantially higher: DM 60 billion is forecast.

Reduced oil prices should further stimulate domestic growth, and this year the major economic research institutes are predicting real

growth of 3.5 per cent. The energy price fall has brought price stability — price indices have even shown a drop — and the domestically produced inflation rate runs at below 2 per cent. Many new jobs are being created in the service sector.

There are still problems. The high unemployment level, partly a consequence of the effect of demographic trends on the labour market, is a political liability for the election year 1987. Chernobyl has cast gloom over German nuclear power as reactor safety is put under more intensive scrutiny.

In the longer run, there are other reasons for less than total optimism. In the transition to the electronic economy, Germany has caught the boat at last. Catching the boat at the last moment was always a German habit. The strong periods of growth before the First World War and after the Second are best described as catch-up periods.

This is what has been taking place in the 1980s. A lesson about the mistakes of a previous period has been taken to heart, and the experience has been rewarding.

But inevitably there will be limits to a recovery based on making good past errors and on catching up on American and Japanese developments. It would be surprising if there were really a new *Wirtschaftswunder*, or if the growth rates of the 1980s (see table) showed a really significant long-term upward trend.

Harold James

The author is Fellow in Economic History at Peterhouse, Cambridge, and author of *The German Slump* (OUP, 1986)

In the market for records

Since 1982 the German financial system has been breaking records. One of the most surprising success stories has been on the historically rather sleepy Bourse. In April this year the volume of shares traded in Frankfurt exceeded that for the whole of 1982.

There have been setbacks in January and February this year and again since mid-April. The FAZ index is currently around the level of the beginning of the year. It is clear that 1986 will not be as dynamic as 1985, when the index rose 71.6 per cent.

All these developments excite foreigners, who were largely responsible for putting the glamour into the stock exchange. Last year foreign purchases of German shares amounted to almost DM 11 billion (about £3.23 billion). There was a double calculation — that the dollar was dear and that German shares were cheap.

The first half of this calculation has been changed by the dollar's weakness, but the other half remains basically valid. It is a consequence of a surge in the profitability of German enterprises, which

For the long-term, prospects are good

has left price-earnings ratios more or less constant despite the enormous rise in share prices.

It is the solidity of the German economic recovery since 1982 that underlay the excitement of the bull market. The long-term prospects are still good.

Foreign excitement half pleases and half worries the Germans, who dislike being the centre of so much attention. Karl Otto Pöhl, President of the Bundesbank, worried about the extent of capital inflows and the increased volatility this implies. After 1982 Germany became more than an investment opportunity and was in consequence exposed to sudden changes of market opinion.

Part of the solution is to broaden the range of choice foreign investors have in the German financial supermarket. A wider range of financial instruments and a full integration in a global financial system would help to reduce the vulnerability to shocks. Current policy is moving in this direction.

DM bonds have been playing a larger role on the revitalized international capital market, and the Bundesbank has already al-

lowed zero-coupon bonds and floating rate notes.

The other side of this liberalization programme is intended to allow German institutions to operate between international and domestic markets with greater facility. From May 1 this year bank minimum reserve requirements have been cut to reduce the disadvantages banks faced in domestic lending.

The German market is still far from being liberal: security transfer tax drives most secondary market operations outside Germany. There is also the difficulty that business is divided among eight regional stock exchanges, though there is clear domination by Frankfurt and efforts are being made to co-ordinate transactions.

Though the share boom is to a large extent the product of the dynamic performance of the economy, Germany's new financial revolution is offering new opportunities to businesses.

Mergers, sell-offs and new issues are the vogue. Companies that have used the Bourse bull market to launch their shares include such well known names as Nixdorf (computers), Wella (cosmetics), Boss (clothing), Henkel (chemicals), Kugelfischer (engineering), the Springer group (printing and newspapers), and Trinkhaus (banking). In 1985 DM 11 billion worth of new capital was supplied to German enterprises.

The most spectacular of these transactions was the selling-off by Deutsche Bank in February this year of the diversified industrial Flick conglomerate. Flick includes substantial paper and chemical holdings as well as stakes in insurance and in Daimler-Benz.

It is an indication of how

Banks are now the powerful force

German business prospects have been reassessed that the Flick interests, sold only at the beginning of the year by Karl Friedrich Flick, son of the company's founder, to the Deutsche Bank at what was termed a "quasi-fixed" price of DM 5 billion, should be sold off for at least DM 7.6 billion a few months later.

The Flick story shows not just how lively the stock market has been, but also how powerful the German banks are, and how well placed they have become to take advantage of the opportunities offered by the new climate. It is on their activity that the successful internationalization of the German market will eventually depend.

German banks have traditionally been much more than banks. All the major ones are a sort of holding company for a wide range of business interests.

The recent stock exchange boom has given the banks an opportunity to develop their merchant banking side. Their earnings have been swollen by their substantial stock holdings, and by their issue business, as well as by securities trading.

But there is still a great deal of caution. It is hard at first sight to see why someone such as F.W. Christian, the chief "speaker", or executive of Deutsche Bank, with an earnings growth last year of 63.5 per cent, should talk so obsessively about prudence and about the risks the banking business faces.

However, the large German banks are worried about how they should respond to the internationalization of financial markets. *Globalisierung* has now become the motto on the top floors of the Frankfurt skyscrapers.

On the one hand, the traditional big three (Deutsche, Dresdner and Commerz) are being chased by some rapidly growing regional banks, savings associations, and mortgage banks.

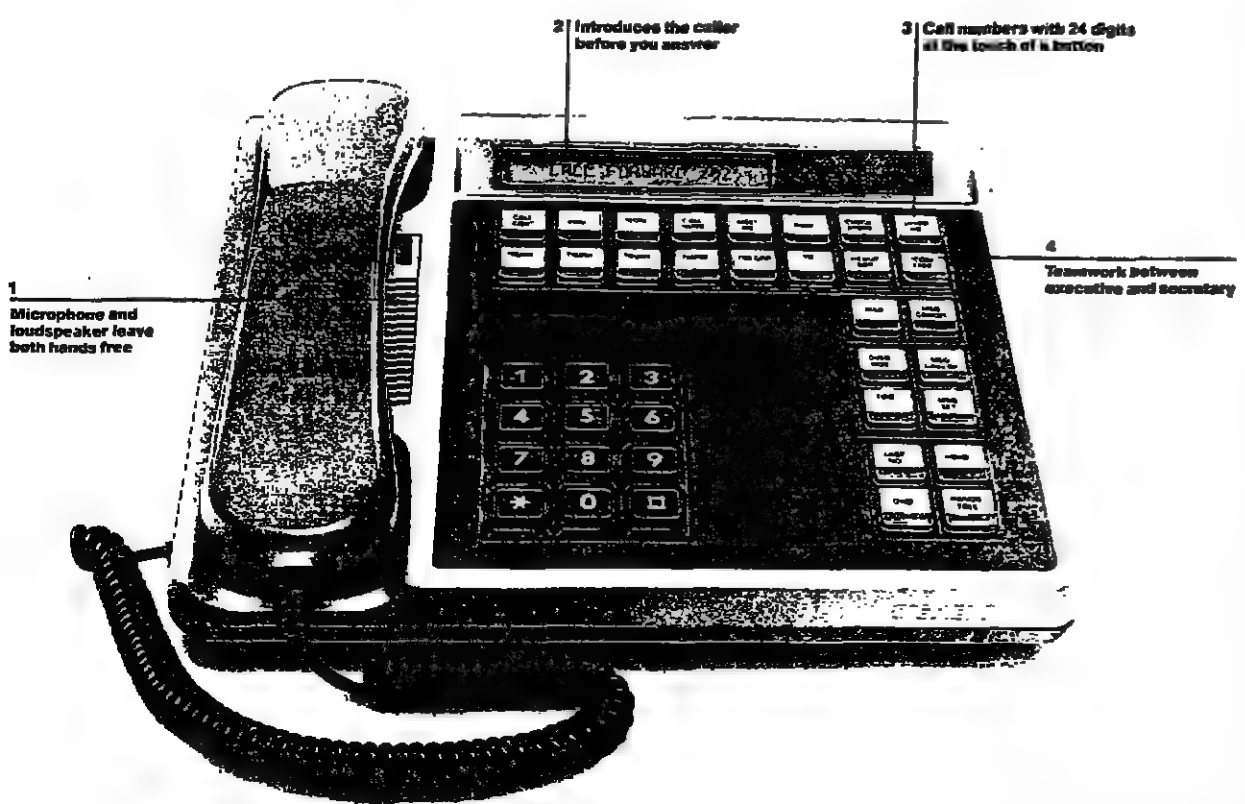
On the other, outside and also inside Germany, they will have to compete with the big international investment houses. But in this competition, the Germans' industrial and merchant bank experience should give them big advantages.

John England

HJ

SIEMENS

Exchange your business system now. Call the future with Siemens.



The multi-feature executive telephone is just one facet of the new MCX system which will act as the hub of your business, a system that can take care of your data communication requirements today and for the future.

The MCX, manufactured by Siemens, is a modular design. Its pre-programmed software control allows it to be tailored precisely to your requirements, whilst providing the flexibility to expand as your company grows.

The MCX is an established, proven system with over 500,000 lines installed worldwide.

For further details of the MCX system return the coupon or telephone 09321 725691.

To: Siemens Limited, Information Services, Siemens House, Winton Road, Solihull-on-Charwell, Birmingham B37 7YU. Telephone 09321 725691. Please send me full details of the MCX system.

Name _____ Position _____
Company _____ Address _____

Siemens in communications — where the future happens first.

Engineers at full stretch and geared for action

With order books full and production capacity in some branches at full stretch, the West German mechanical engineering industry is looking forward to another good year after a boom in 1985.

Most branches expect a strong domestic market to counter any fall in exports due to a weak dollar, and the industry is confident that it has met the Japanese threat with success.

German machine-tool makers are also taking a relatively relaxed view of President Reagan's recent call on foreign manufacturers to curb their exports to the United States, although that country was their largest overseas market last year.

After the doldrums of the early 1980s, German engineers are still cautious about predicting a long-term recovery. Heavily dependent on exports, the industry benefited in 1985 from a high-priced dollar which climbed at one point, even if briefly, towards DM 3.50.

Now the dollar is hovering around DM 2.20, well below the "pain threshold" for German companies, which an industry leader earlier this year put at DM 2.50. But the Germans believe their reputation for top-quality goods and excellent after-sales service will overcome the exchange rate problem.

They are also sure they have been largely successful in containing the challenge to their traditional dominance in engineering from Japanese companies, which in the late 1970s were leading the field with computer numerical controls and other electronic technology.

The Germans took note and caught up. Although in 1977 only a third of German machines were equipped with cnc, by last year almost all of them incorporated that technology, and about 50 per cent of them were exported.

According to the West German mechanical engineering association (VDMA), industry turnover rose in 1985 by about 12 per cent to DM 160 billion (about £47 billion). Exports were worth DM 93 billion. Orders increased by 11 to 12 per cent and total employment rose by 3 per cent to 1,053,000.

TOP ENGINEERING COMPANIES, 1985

	Turnover (DM)	Employees
Thyssen Group	44.3bn	128,370
Mannesmann	18.8 bn	108,000
Fried Krupp	18.5bn	67,400
Gusthoffnungshütte	14.5bn	54,800

Source: Company reports

The machine tools branch enjoyed production growth of about 16 per cent to DM 10.9 billion, with orders increasing by 30.1 per cent. Exports rose by 12.7 per cent to DM 6.8 billion, although the export quota of 62.6 per cent was slightly down on 1984. Domestic sales were worth DM 6.4 billion.

The branch is expecting production in 1986 to repeat its double-figure growth of last year, although somewhat lower, at between 10 and 15 per cent. Capacity utilization is at 94.5 per cent and the orders backlog is running at more than eight months.

Manufacturers of printing and paper machines went to their annual fair in Düsseldorf in May with full order books for the first time in its 35-year history. "The usual pre-fair orders gap that we have known for years simply didn't happen this," said Kurt Werner, president of the fair committee.

The machine-makers had their best year ever in 1985, with production value of DM 8.2 billion and exports at 77 per cent of sales. Despite the dollar's dive, they are optimistic that their application of micro-electronics to their wares will help them maintain their export markets.

The makers of building machinery, long-time sufferers from a slump in the construction industry, are expecting nominal growth of 8 per cent this year after a 5 per cent rise in 1985 to DM 3.4 billion. This was their level of 1974 but was 31 per cent under their record year of 1979.

The prognosis for 1986 is not uniformly rosy. Although Mannesmann, for example, had a good 1985 and views this year with optimism, Preussag sees metal prices and the dollar clouding the hori-

zon. Some machine-makers are also concerned that President Reagan will bring big protectionist guns to bear on them if they do not meet his six-month deadline in applying self-restraint on exports to the United States.

Most, for the moment, are feeling no pain because of their fat cushion of domestic orders and a conviction that the "Made in Germany" label, especially on machine tools, will win through after the Americans have been persuaded to drop their threatened barrier against free trade.

West Germany is the world's second largest producer of machine tools, with a value last year of DM 11 billion and, with Switzerland, has won a good position in the American market for its quality and flexibility. West German exports to this market have more than doubled in the past two years and German manufacturers will fight to retain that share.

John England



In 1906 Leitz opened its doors in the UK. 80 years on Leitz is offering expertise in microscopy, precision measurement and inspection systems to leading research and development organisations. To find out how a German company is helping British industry in 1986 contact us for a copy of "Leitz in Industry".



INNOVATE
E. Leitz (Instruments) Ltd.,
48 Park Street, Luton, Beds. LU1 3HP.
Tel: (0582) 413811. Telex: 825475 LEITZ G.

DATE

Engineered like no other car in the world

Investment and trade between Britain and West Germany has soared during the 1980s to reach billions on both sides

The rush to invest in the British economy



As one would expect from the most powerful economy in all Western Europe, the commercial presence of Germany in Britain is large and varied. It is also growing rapidly.

About 15,000 German companies export to Britain and of these 750 have set up sales and/or manufacturing subsidiaries here. According to the economics ministry in Bonn, the cumulative value of German direct investment in this country stood at DM 8,725 million (about £2,566 million) at the end of last year. Only in the United States is the figure higher.

Investment accelerated after Britain joined the EEC in 1973 and has soared since 1982. Last year German companies put more than DM 2.6 billion into Britain. Recent moves include the acquisition by Allianz of Cornhill Insurance for nearly DM 1 billion, the formation of a joint venture between Osmar, a Siemens subsidiary, and GEC, and a greenfield investment by Isola Werke in Cumbernauld, Strathclyde.

The 750 companies which have invested here vary from the giants to the tiny and sell a wide range of goods. According to a survey published last year by the German Chamber of Industry and Commerce in London, more than 500 employ fewer than 50 people and very few have a workforce of several thousands. Geographically they are concentrated in the South-East—Greater London, the M4 corridor, Milton Keynes.

Britain's reputation for industrial unrest may deter German firms from investing here but they should take heart from the chamber survey, which found that nearly 90 per cent of manufacturing and sales companies questioned reported that they enjoyed good or excellent labour relations. A more common complaint is the inadequacy of British vocational training.

As well as being the second largest recipient of German investment, Britain is Germany's third biggest export market, after France and the United States. German sales to Britain have more than quadrupled during the past decade and reached DM 45.9 billion in 1985, 8.6 per cent of total exports. Cars, mechanical and electrical engineering, office equipment, plastics and chemicals are the main items.

Of the German companies which have invested in Britain, 210 have manufacturing

operations. Largest among them in terms of employment is Hoechst, the Frankfurt-based chemicals giant, which has had a presence here—interrupted by two world wars—since 1901.

In 1968, the company started manufacturing polyester filaments in Northern Ireland and in 1970 bought the paint-maker Berger, Jensen and Nicholson. It also owns Kalle Infotec (copiers and facsimile transmitters) and Arthur H. Cox (pharmaceuticals), and has a 50 per cent stake in Harlow Chemical Company (synthetic resin emulsion and polyvinyl alcohol) and IR Oil Services (oilfield chemicals).

Companies in Britain which either come under Hoechst UK or which operate separately but are wholly or partly owned by Hoechst AG in Frankfurt recorded sales of

nearly £800 million in 1985 and provided jobs for 6,475 people.

Dominik von Winterfeldt, chairman and managing director of Hoechst UK, said the group was moving into speciality chemicals and had identified three key areas in which they could be used—metallurgy, electronics and industrial ceramics.

Meanwhile, at the Hoechst research centre in Milton Keynes, 120 scientists are working on new drugs and contributing to the parent company's worldwide research activities in other fields.

The history of Siemens in Britain goes back even further than that of Hoechst. Sir William Siemens founded the British Siemens Brothers Company in 1858 and just before the First World War Siemens employed more people here than in Germany.

Today the British subsidiary of the Munich-based electrical and electronics group has a turnover of about £200 million and employs about 2,500 people. These figures do not include the Osmar joint venture with GEC nor Siemens Domestic Appliances, which sells white goods.

Like Hoechst, Siemens has taken over British companies, acquiring Ferranti Measurements (electrical sagging meters), Semitron (Crickdale electronics components), Phonophore Acoustics (hearing aids), Pacesetter (heart pacemakers), Neve (electronic studio equipment) and the Norton Telecommunications Group.

It has a design and develop-

ment laboratory at Congleton, Cheshire, which has supplied microwave equipment for the satellite communications centre at Goonhilly Downs, Cornwall, and it has just opened a computer sales and information office in a converted church at Feltham, Middlesex.

Last month saw the expansion of another well-known Bavarian-based company, BMW, which inaugurated a £6.5 million warehouse at Bracknell, Berkshire, thereby more than tripling its storage space.

Since BMW formed a British subsidiary in 1979 sales have risen from 13,453 units (turnover £107 million) to 33,450 (£346 million) and market share from 0.89 to 1.83 per cent. Britain now runs second to the United States as an export market but growth is hampered by an inadequate supply of cars from Bavaria. The opening shortly of a sixth manufacturing plant, at Regensburg, should ease the situation.

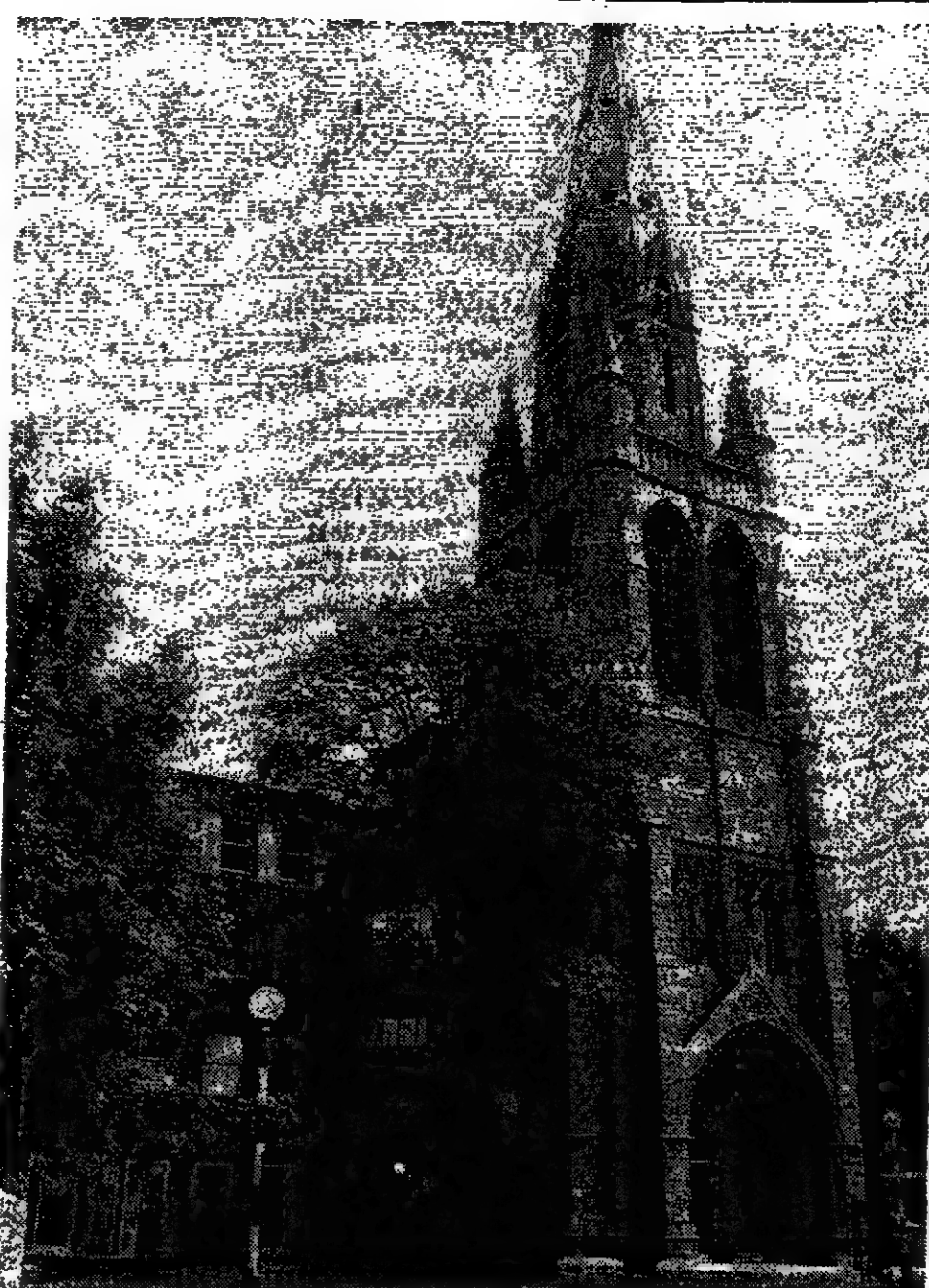
West Germany in general, and Baden-Württemberg in particular, is noted for its small and medium-sized engineering firms. One of them, Schöff, makes metal casings for the electronics industry at Hemel Hempstead, Hertfordshire. The company, based near Karlsruhe, bought T. Foxall & Sons, a sheet metal engineering business, in 1978 and acquired with it a skilled workforce.

Schöff has since invested £3 million, £650,000 of it in an extension which is due to open later this month. Turnover has risen tenfold to £7.5 million and sales per head from £8,800 to £60,000. The company has about 15 per cent of the electronic casings market in Britain.

Bernd-Uwe Kaupisch, who has run the British operation from the start, said many medium-sized German companies had not realized the value of Britain as a base for exporting to the United States and other parts of the world, such as India, Singapore, the Gulf, Canada, and South Africa, where English is widely spoken. Britain laid the base for the penetration of the American market for Schöff and the company is now manufacturing in Rhode Island.

Turning to consumer goods, Rosenthal, the porcelain, glass, cutlery and furniture trader, and Bahlsen, Germany's largest biscuit manufacturer, both have sales subsidiaries in Britain.

Rosenthal hit the headlines in 1975 when it won a £12,000 crockery order from the



Church turned computer centre: Siemens' infotec office at Feltham, and, below, Hoechst researchers at Milton Keynes

House of Commons. Outraged MPs demanded why the contract had not gone to a British company, all of which was wonderful publicity for Rosenthal. Turnover here in 1985 was nearly £4 million.

Bahlsen, whose headquarters are in Hanover, was founded in 1889. Hermann Bahlsen came across the *petit beurre* biscuit in England and started making it in Germany under the name "Leibniz

cakes", from which *Keks*, the German word for biscuit, was derived. Today the company employs nearly 8,400 people and has factories in France, Austria, Switzerland, Spain and the United States as well as Germany.

Sales of the British subsidiary have grown by 216 per cent during the past five years, in particular since the company started to advertise in 1983. A.N. Rogers, the manag-

ing director, says Bahlsen is somewhat lumbered with its quality image and the next stage of his campaign is to persuade people that its biscuits and cakes are not just for special occasions.

Today Bahlsen Biscuits (UK) launches its first product in a British-designed packet and Mr Rogers hopes to extend this to other items.

Asked whether Bahlsen would manufacture in Britain, he said they would have to acquire a British company which would fit in with their image as a high-quality Continental biscuit-maker. The local market was tightly controlled and there was little left to buy. His main problem as an importer has been the devaluation of the pound against the mark at a time when British inflation rates were low.

Simon Scott Plummer

Coping with the oil price drop

Development of trade between Britain and West Germany in recent years has been rapid and impressive. Germany is now Britain's second largest foreign market after the United States, taking nearly 12 per cent of all British exports.

British invisible earnings in Germany from such services as banking, insurance and consultancy are worth more than £895 million a year, and in an increasing flow of investment between the two countries there are about 1,000 British subsidiary companies in Germany. British direct investment in Germany at the end of 1985 had a total cumulative value of £3,196 million, or more than double the total of 10 years earlier.

Since Britain signed the treaty of accession to the European Community in 1972, British exports to Germany have increased from £590 million then to £9.8 billion in 1985, or almost £25 million for every day of the year. Last year's figure was 8 per cent of total German imports, compared with 7.7 per cent in 1984, and while overall German imports rose by 6.9 per cent, imports from Britain increased by 11.6 per cent.

Excluding oil, total German imports rose by 8.1 per cent, while imports from Britain were up by 19.7 per cent, with the British share of the non-oil import market increasing to 6.2 per cent from 5.6 per cent in 1984. The trade gap in favour of Germany, however, widened from £2,179 million in 1984 to £2,626 million last year. German exports to Britain in 1985 were up 13.3 per cent, compared with an increase of 10 per cent in total exports.

Germany comes out even better when one takes the figures for the 12 months to the end of March this year, which give it a trade gap edge of £3,343 million against £1,850 million. Deducting British oil revenues would almost double the imbalance.

Oil accounted for 29.1 per cent of British exports to Germany last year, earning £3,200 million. But this was a drop of nearly 5 per cent on 1984, and the oil factor was down to 23 per cent in the first quarter of this year. "The trend is to further falls," a British embassy commercial official said.

British non-oil exports to Germany, however, are a success story in what Sir Julian Bullard, the British ambassador, describes as "one of the most competitive markets in the world to break into".

The top-value British exports to Germany are capital goods such as heavy machinery, electrical engineering products, pharmaceuticals, aircraft and components and car parts. The rest of the field covers a wide range running from agricultural machinery to whisky.

For the British Steel Corporation's three subsidiaries in Germany, sales performance is subject to quotas imposed by Brussels. Karl-Heinz Kramer, managing director of BSC Deutschland in Düsseldorf, a sales office for non-stainless products with a staff of 30, says, however, that there could be a price war in the steel business when quota controls are lifted at the end of 1987.

Keen Japanese competition rather than quotas is the sales problem for Coulter Electronics, of Krefeld, subsidiary of a firm based in Luton, Bedfordshire. Employing a total of 140 people, the company sells blood cell counters and biochemistry reagents for blood tests to hospitals, clinics, laboratories and some individual doctors. The company also supplies fine particle analysers

£15m turnover is expected

to the pharmaceutical industry.

Brian Hall, managing director, says Coulter, established in Germany 20 years ago, has about 3,000 of its all-electronic instruments in service throughout the country and claims a 60 to 70 per cent share of the German market. "We had a good 85 per cent in 1980, but then the Japanese began making very good copies of our products and selling on price," he said.

Nevertheless, Mr Hall adds, in the 12 months to the end of March 1987 Coulter should achieve a turnover of £13.5 million to £15 million, an increase of 12 per cent on the previous year.

He said: "Apart from our Japanese competitors, we have no special problems in selling in Germany."

"However, the German medical profession is more demanding than that in Britain. About 60 per cent of our staff is engaged in service and maintenance of our instruments, and when something goes wrong German doctors want immediate attention. Unlike British doctors, they are not inclined to make small repairs themselves."

"But that is our market, and we give them what they want."

JE

SCOTT/PAUL/STONE

AEG

It takes only three letters to convey high technology and high quality.

You'll find high technology and high quality in all of our products, systems and services:

Automation Systems
Cables (AEG KABEL)
Communication
Components and Electrical Machinery
Domestic Appliances
Industrial Systems
Information Systems
Marine and Special Systems
Office Technology (OLYMPIA)
Power Distribution
Power Generation (AEG KANIS)
Power Tools (AEG Elektrowerkzeuge)
Radio and Radar Systems
Railway Systems
Standard Products

AEG employs 75,000 people in 111 countries throughout the world; they have provided a wide range of products and services worth nearly £ 3.0 Billion in 1985. Some 6,000 AEG employees support the company's high technology products in the areas of research and development.

Advanced technology from AEG:
This means electrical and electronic equipment, systems and installations for communication and information, for industrial and power applications, for defence and transport, for the office and the home.

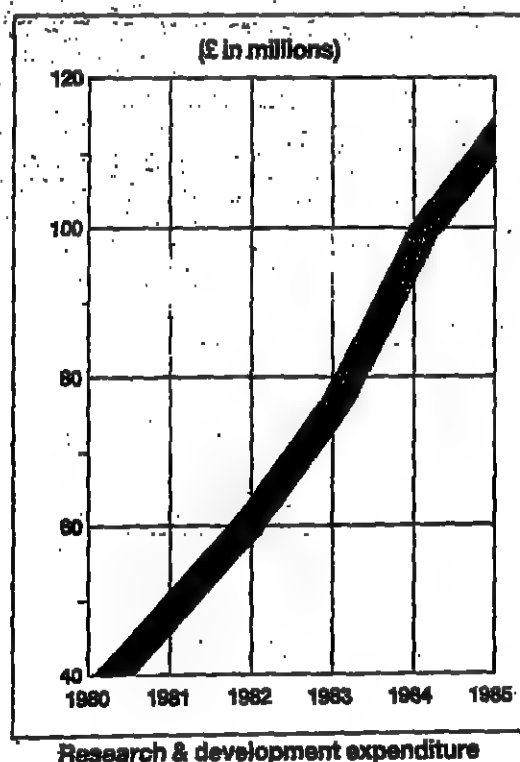
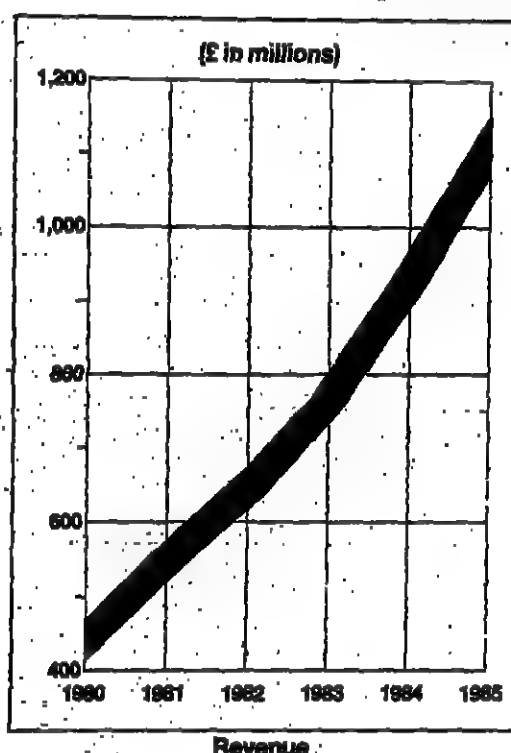
AEG (U.K.) Ltd.
217 Bath Road
Slough
Berkshire SL1 4AW
Phone: (0753) 872101
Telex: 847541

AEG

You can find AEG in 111 countries worldwide.

Can your company match this performance?

Let's face it: Most companies have a good year every once in a while. But how about steady consistent growth every year for a decade?



Check our revenue figures. 20 per cent average growth. And our profit growth has been even faster.

Orders on hand are up 20 per cent. Again. At more than £1 billion, they exceed total 1985 revenue. In the next year or so, Nixdorf will pass the £1.5 billion mark in revenue.

Nixdorf's investment in research proves we think the future is as important as the past. Once again, we invested almost 10 per cent of revenue – £114 million – in development. Add our capital spending of £163 million, up 12 per cent, to our R&D spending and you can clearly see how we feel about the future.

Confidence also means new jobs. Last year we defied industry trends, and added 3,100 new people to our payroll.

Stockholders' equity now totals £677 million, up 900 per cent over what it

was only five years ago.

Our continued success stems from our customers' positive response to:

Nixdorf Commitment: We are committed to end users. Nearly two thirds of our staff are engaged solely in customer support and service. 97 per cent of our worldwide revenue is earned by Nixdorf employees responding directly to customer needs. We don't depend on outside dealers.

Nixdorf Service: Our sales and service network is the most vital and visible sign of Nixdorf quality. Our customers know they have long-term security. Commitment to customer

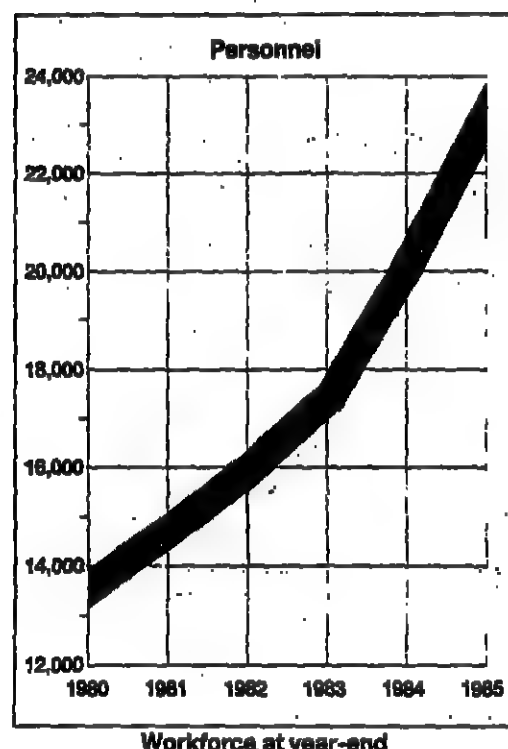
service has always been a major Nixdorf strength.

Nixdorf Solutions: Nixdorf serves virtually every branch of industry and commerce. We are the European leader in business information systems because all our solutions are tailored for specific needs in industry, in government and local authority administration, banking and financial institutions, small business and retail sectors, to name but a few.

Nixdorf Development: We convert technological innovations into practical product improvements for our customers. Our products are also designed to be capable of future development so our customers can plan for growth – and know their investment is protected.

Nixdorf is already among the world's largest computer companies. Our consistent record of growth points firmly to an even brighter and stronger future.

We have 550 offices worldwide in 44 countries. Nixdorf's UK head office is at 125-135 Staines Road, Hounslow, Middlesex TW3 3JB.



Please tell me more about Nixdorf's integrated business solutions

Name _____

Position _____

Type of Business _____

Address _____

Postcode _____ Tel. _____

German reliability
matched by British know-how

NIXDORF
COMPUTER

WEST GERMANY/5

FOCUS

Living the fun life with Bubbi and Siggy



Any country which can have a city like Munich can't be entirely serious. Being thought entirely serious is what most West Germans seem not to want to be. So, as any serious people would do when faced with such a charge, they have arranged to get most of their supplies of frivolity supplied by Munich, the capital of the state of Bavaria.

The neighbouring southern state of Baden-Württemberg is in competition with Bavaria to attract advanced industry — the south having become, in recent years, the "high tech" region. Baden-Württemberg is ruled by the Christian Democrats (CDU) under Herr Lothar Späth, Bavaria of course by Herr Franz Josef Strauss, the man who is — as far as the rest of the world is concerned — the most famous West German politician, apart from present and former Chancellors.

It seems to have been an epic of tax concessions and subsidies. The former liberal (FDP) economics minister, Count Otto Lambsdorff, recently intervened to denounce both men for hurling so much money at business. Herr Strauss and Herr Späth temporarily abandoned the struggle to abuse Count Lambsdorff.

Baden-Württemberg is a beautiful state and its capital, Stuttgart, has a superbly restored city centre of trees and squares. But Bavaria will always win in the end. This is because it has Munich.

"Munich is the only West German city where you can go over the top," a British observer of the West German economy explained. "For example, it's the only place in the Federal Republic where you can have someone called Princess Gloria von Thurn und Taxis going about in multi-coloured punk hair — at least, for any length of time."

"That has broader economic consequences. Businessmen, particularly foreign businessmen, like to come to Munich because it is the only

West German city, apart from Hamburg, which is as glamorous, or mildly wicked, as most of the other international cities they deal with."

Munich is the only West German city in which the gossip columns of the local papers are peopled with Germans. Those of other West German papers are usually about foreigners: Miss Joan Collins, Princess Stephanie of Monaco, Mrs Onassis, the British royals. This is because there is now a shortage of internationally famous Germans of the sort glamorous or disgraceful enough to fill gossip columns.

The Munich columns, however, are full of the activities of actual Germans. They tend to live in and around Munich and to be called such names as Bubbi and Siggy.

Locally, they are known as the *Schickaria*: film-makers, alleged artists, actors, actresses, and the Princess Gloria von Thurn und Taxis, who has nothing to do with

Where culture and capitalism meet

Munich's transport arrangements, but is the wife of the Prince Johannes von Thurn und Taxis, whose family fortune took 500 years to assemble, who has a castle on the Danube at the Bavarian city of Regensburg, and who recently gave a very, very big party to which "everyone" was invited.

The definition of "everyone" in Munich is Herr Strauss. But important people from Bonn came too.

As well as being agreeably silly, Munich is also cultured and beautiful. Its great gallery has the best of all Rubens collections. In the 19th century, the Bavarian monarch who put up the city centre was unusual for his period of preferring mock-Renaissance to mock-Gothic. So the centre is a vista of bits of Florence and bits of Venice.

However, it has to be admitted, Munich is also serious. It is the headquarters of "Bavarian Motor Works", which the



Munich: Looking towards Marienplatz, a popular haunt for overseas tourists. Right: Deutsche Oper, West Berlin, performing a scene from "Katya Kabanova" by Janacek

Move over, Wagner, they're now all going for pop

A friend had just bought a recital recording by Peter Hofmann and offered a hearing.

The offer was accepted excitedly since Herr Hofmann, who is now in his early forties, seems to these ears to be as good a Wagnerian tenor as Germany has produced since the war — and this in a decade in which Wagner singing is widely thought to be in decline.

A tremendous outburst of unfamiliar music, involving much percussive, preceded the entry of the voice on the first track. So it seemed safe to assume that the first item was from one of the submerged early operas by Wagner which hardly anyone has ever heard: *Das Liebesverbot*, perhaps, or *Die Feen*.

Such works tend to contain rather old-fashioned and unoriginal arias which are always worth listening to, provided we do not have to sit through the rest of the opera.

Herr Hofmann's satisfyingly guttural heroic tenor emerged from the loudspeakers. "There is... a house... in New Orleans," the voice very slowly imparted, in southern

American English. "It's called... the Rising Sun."

A lunge for the cassette cover revealed that one had been made to listen to *Peter Hofmann sings Rock Classics*, which, it turned out, had been quite a big seller in Germany last year. It included such middle-period works as *The sun ain't going to shine anymore*. The long and winding road and the one about that very boring bridge over those troubled waters.

You could also get two albums of *Peter Hofmann sings songs and ballads* — songs and ballads being there defined, not as the work of such home talents as Hugo Wolf or Schubert, but of whoever wrote *You're lost that loving feeling* and *Let it be*.

With these cassettes, it is possible that we had chanced upon something symbolic — and not only that, a paradox. We in Britain are brought up to believe that the Germans are more cultured than us, certainly more musical. These last 200 years, most important composers — apart from a few Frenchmen and some Italians who only did operas and not things like symphonies — seem to be German.

There is the Berlin Philharmonic. There is Karajan and lots of equally famous German conductors, with names such as Wilhelm Furtwängler or Otto Klemperer, who are dead. The Germans are also understood to be better educated than us. And West Germany is riddled with opera houses.

Furthermore, they are opera houses which as Covent Garden points out every time it wants more money from the taxpayers — are awash with subsidies. In fact, we Britons have been made, by other Britons, to feel thorough barbarians about not having all

that music, and sheer, brute mass of culture.

Yet nearly everywhere you go in West Germany, outside opera house or concert hall, you hear American, British or indigenous pop. Get into a taxi, and from radio or cassette deck, some degenerate Briton wails at you about glue-sniffing on the dole — British pop being one of the most highly respected schools among Germans. The indigenous West German bands make the same noise, only in German — just as in the later 19th century Schumann and Brahms were imitated by such Britons as Stanford and Parry.

The Americans here have a young, ambitious ambassador who wants to "reach out" to the West German young. It is

The country is riddled with opera houses and awash with subsidies

significant that he obviously feels he could not do that by being seen at a concert of the Berlin Philharmonic. Instead, he recorded a "track" with a Berlin pop group and took care to get himself photographed doing it. In interviews he emphasizes his scholarship in the genre known as Heavy Metal.

Wagner, wherever he is now, must face the reality that his best tenor of the 1980s often sings about loving feelings, bridges, and troubled waters other than those to be found in his operas. When this was put to the young German and pro-pop secretary in *The Times* Bonn office, she replied: "How do you know that, if Wagner were alive to today, he wouldn't be a rock composer?"

Opera and the concert hall are taken more seriously here by politicians than in Britain



— that is, the politicians give them more taxpayers' money. Covent Garden's complaints are true on that aspect. For example, the Hamburg Opera, which with Munich and West Berlin is one of the three West German "international" houses comparable with Covent Garden, gets, on the latest available figure, a subsidy of DM 52.5 million (about £15.5 million) a year. It is all provided by the city government.

Cologne, which with Düsseldorf and Frankfurt forms what might be termed the second division and where the

States. It is as if, like England and soccer, Germany taught the world how to play opera, but has now grown tired and has yielded the game to countries that came to it late.

There is a hint of English football about the questions and answers in an interview with Herr Angelus Seipt, an official of the Cologne Opera, in the city's morning paper. Of the present generation of singers, the paper asked: "Why are Germans no match for foreigners?" Herr Seipt replied that Germany had more opera houses than anywhere in the world (just as England has more league football clubs), "but German potential is not good enough." The paper speculated that training might be the problem.

On the other hand, West Germans are getting better and better at, and more interested in, ballet, an art form to which they did not really take until the early 1960s, when the dance company attached to the Stuttgart Opera imported from London the South African choreographer, the late John Cranko. He turned it into one of the most glamorous companies in the world, perhaps overshadowing the Royal Ballet on which it was modelled — another example in the arts of the England Soccer Effect. The Hamburg Opera soon created a similar company under the American, John Neumeier.

Opera remains a paradise for people who like going to concerts, to opera (thanks to German taxpayers and foreign singers) and to ballet. It is also a paradise for people who like listening, all day long, to rock.

FJ

Is Degussa Part of Your World?



999.9 thousandths pure! Gold bars stamped with Degussa's name and refining grade of 999.9 are accepted as "good delivery" by precious metal exchanges worldwide. In fact, Degussa has processed and dealt in precious metals for over 140 years.

High-purity gold. One achievement among many. Degussa helps make our world a better place to live.

Degussa

Degussa, part of our world. Metals. Chemicals. Pharmaceuticals.

Degussa Limited
Paul Ungerer House
Earl Road,
Stanley Green,
Handforth,
Wilmslow,
Cheshire SK9 3RL

Union power goes on the defensive

German trade unions face the same problems as other European unions: how to adjust to an accelerated pace of change, combined with the apparently long-term prospect of high levels of unemployment.

Although there has been dramatic economic growth in Germany, there were still 2,347,000 registered as being without a job at the end of 1985, and in the course of this year the number is expected to fall by only 150,000. So the unions are on the defensive. Between 1981 and 1984 they lost members.

In addition, the CDU-FDP coalition government in power since October 1982 has been less sympathetic to the unions than the SPD-FDP predecessor. As a reaction to the disastrous politicization of unions in the Weimar Republic, German trade unions are not supposed to have formal links with any party; but in practice the politics of the SPD and the trade unions are intertwined.

While in the 1950s unions had been rather weak, under the social-liberal coalition of the 1970s they grew more powerful and pushed German wages ahead. They were blamed, particularly by the FDP, for Germany's economic difficulties and for the severity of the recession after 1979.

The reaction of unions to the Kohl government's desire for a radical break with the social policies of the past (*Wende*) was a new strategy on the part of labour, too. This was termed "Minimax" or "the new flexibility".

The aim was to break the old concern with *Sozialpartnerschaft*, the social co-operation which had been established after 1949, had lain at the heart of Bonn's political success, and had been practised in the 1970s by moderate unionists such as the late Hans-Martin Schleyer. Harmonious labour relations were to be replaced by a new radicalism.

A German peculiarity that stands out in sharp contrast to Britain is that the most powerful, and also most radical, union is not in a sunset branch, but in the engineering and metal trades. These lie at the heart of Germany's economic success, but at the same time they are experiencing dramatic structural changes.

The giant metal union, IG Metall, with 2.6 million members, is keen to experiment with new political options — some members of its executive, such as Hans Janssen, are now even prepared for a limited co-operation with the ecological Greens.

For IG Metall, Minimax meant an attempt to reintroduce ideological politics. The first major campaign was fought in 1984 on the basis of a demand for a 35-hour week. Many of the SPD's economic

stands out in sharp contrast to Britain is that the most powerful, and also most radical, union is not in a sunset branch, but in the engineering and metal trades. These lie at the heart of Germany's economic success, but at the same time they are experiencing dramatic structural changes.

The giant metal union, IG Metall, with 2.6 million members, is keen to experiment with new political options — some members of its executive, such as Hans Janssen, are now even prepared for a limited co-operation with the ecological Greens.

For IG Metall, Minimax meant an attempt to reintroduce ideological politics. The first major campaign was fought in 1984 on the basis of a demand for a 35-hour week. Many of the SPD's economic

Trade unions are now experimenting with new political links and options

experts and politicians were sceptical about the proposal and believed it might endanger Germany's competitive position.

These worries were not shared by the union, which wanted to impress its own vision on the SPD, and argued that a reduced working week was the easiest way of absorbing the unemployed. On the tactical issue, IG Metall believed that a major goal (Max) could be achieved through the deployment of limited resources (Min).

The seven-week metal workers' strike in April and May 1984 was conducted on the cheap. A few stoppages in a highly interdependent, integrated engineering industry produced chaos. The shortage of vital parts shut down other factories where the workers, though not the original strikers, were eligible for unemployment benefits.

The end of the strike came when the federal labour office blocked these payments and there was then a compromise

about reducing hours of work — to 38.5.

After this outcome the unions took the courts in order to defend what they termed as the "right to strike". Their argument was that paragraph 116 of the 1969 Work Promotion Law (*Arbeitsförderungs-gesetz*) imposed the duty of neutrality in labour disputes on the labour office.

This argument was eventually blocked in March this year by a vote in the Bundestag to change paragraph 116. However, in the course of this battle, the unions actually achieved a major victory.

In the first place, the passing of the legislation left the government parties in disarray. Some CDU deputies, led by Gustav Fehrenbach, kept on pointing out that two-fifths

of German union members vote for the CDU, and that these voters would be put off by the new legislation.

The pressure of CDU unionists (organized in the so-called *Sozialausschüsse*) resulted in a watering-down of the original draft. In the final version, an arbitration panel composed of representatives of union and employers' organizations, with a state-appointed chairman, decides whether benefits should be paid to workers laid off because of the consequences of a strike.

Second, in the course of the dispute about paragraph 116, the language of class struggle was introduced in a way unprecedented in the Federal Republic's history. Norbert Blum, the labour minister, and himself a former metalworker in the Opel works, was accused of being a class traitor. The union federation, DGB, made a tasteless parallel between Blum's law and Nazi labour legislation.

There have been physical attacks on CDU politicians

attending union meetings. In February, 200,000 workers took part in protest strikes. The recent quadrennial DGB congress was the first to refuse to allow the current Chancellor to address it. In short, one of the Federal Republic's basic myths about peaceful social co-existence appeared to be in tatters.

All this helped to increase the union movement's self-esteem. It was able to forget the scandal surrounding the finances of the union-owned property development firm, Neue Heimat, where a mixture of corruption and incompetence had led to overbuilding, unsaleable and unrentable housing, heavy losses, and debts of DM 17 billion (about £5 billion).

Indeed, the DGB's chairman, Ernst Breit, now says: "The German union movement is in good shape." In 1985, membership began to rise again. IG Metall gained 26,000 young members. The Hamburg DGB Congress was confident and assertive.

The new confidence affects wage claims and settlements. In the slump after 1979, unions had behaved with exemplary restraint and put in only low pay claims. Now they believe it is time to make up lost ground.

In January 1986 the metalworkers asked for increases of between 6 and 7.5 per cent, which far exceeds the then estimates for price rises (2 per cent — the real figure for 1986 will probably be lower) and productivity gains (3 per cent). In the end, they settled for 4.6 per cent. Textile workers rejected an offer of 3.4 to 3.9 per cent and then agreed the same rate as IG Metall.

With these higher wage awards, and the confusion and embarrassment of the government in the wake of the paragraph 116 debate, it is scarcely surprising that the Council of Economic Advisers is worried that "high wage settlements might put the future of the German recovery in doubt."

HJ

Deutsch/Englisch

DER STAATSBESUCH
THE STATE VISIT
the ssteht vis-it

- 125. Ich freue mich Sie kennenzulernen Ihre Majestät/
 Erzbischof/Minister-präsident.**
 It is nice to meet you, Your Majesty/Archbishop/Prime
 Minister.

*it is neiss tu miet yuh, juhr MAHDSCH-esst-ie/AHRTSCH-
 bie-schap/PREI-mini-sstehr.*

- 126. Was für eine nette Krone/Mitra/Hut.**
 What a lovely crown/mitre/hat.
uatt e LAW-lie kraun/mei-tehr/hät.

- 127. Nein, nein, ich liebe Hunde/Musik/Golf.**
 No, no, I love dogs/music/golf.
noh, noh, ei law dagz/MJUH-sick/golf.

- 128. Wo genau ist Milton Keynes?**
 Where exactly is Milton Keynes?
uähr eks-AKT-lie is MIL-ten kiens?

- 129. Ich habe eine Panne mit meiner Limousine.**
 My limousine has broken down.
mei lie-muh-SIEN häs BROH-ken daun.

- 130. Können Sie mir den Weg zu Ihrem Audi
 Volkswagen Händler zeigen?**
 Can you show me the way to your Audi Volkswagen
 dealer?
kän juh schoh mie the ueh tu juhr audi volkswagen DIE-lehr?

- 131. Vorsprung durch Technik.**
 Vorsprung durch Technik.
vorsprung durch technik.

DAS STAATSBANKETT.
THE STATE BANQUET.
the ssteht BAHNK-uet.

- 132. Das ist eine interessante Wurst.**
 That is an interesting sausage.
that is an IN-te-resst-ing SSOH-ssidsch.

[illegible]

SPORT

Silky Sabatini purrs past claws of Reggi

By Rex Bellamy, Tennis Correspondent

Gabriela Sabatini, aged 16, reached the quarter-finals of the women's singles by beating Raffaella Reggi 6-4, 1-6, 6-3 at Wimbledon yesterday. The last Argentinean player to do that was Norma Baylon in 1964. Miss Baylon, who had an Austrian father and a German mother, was the most promising player to emerge from South America since Maria Bueno, but her career was blighted by a series of injuries.

Miss Sabatini, on the other hand, is an offshoot of the Guillermo Vilas era, rather than that of Miss Bueno, but has the loose-limbed ease of a natural athlete. Between rallies — her languid gait is almost a slouch. But she strokes the ball with a deft grace and much assurance of touch. Her court presence is striking, because her looks hover between prettiness and beauty and, if there was such a thing, her hair could be described as a shade beyond black.

By contrast Miss Reggi is a bustling, boisterous Italian who quivers with energy and pugnacity. Between points she holds her racket in such a menacing way that one suspects a wrong word would result in instant assault. At such moments it seems that

she is bursting to break something. Anything. If these two climbed into a boxing ring, I doubt whether Miss Sabatini would come out of her corner for the second round.

Miss Reggi gives the game all she has — as when she skidded and abruptly sat down as she hit a winning drop volley. But she does not play tennis as well as Miss Sabatini does. In any case, this was no day for an Argentinean to lose. Their footballers had done something rather clever a day earlier, and Miss Sabatini caught the mood.

The next match on the same court featured two similar types. In this case Brad Gilbert exuded the pugnacity, Miloslav Mecir the languor. The only players to beat Gilbert at Wimbledon have been John McEnroe, Vitas Gerulaitis, Yannick Noah and, now, Mecir. This year, Gilbert was seeded 12th. But maybe he said the wrong thing to the right people or, perhaps, his

was never granted a singles on any of the main "show" courts. Gilbert had to make do with court seven, 10, six and 13, which meant that he was out of the singles before most people realized he was in it. You could say that he hovered on the fringe of prominence without quite achieving it.

Gilbert has dark, curly hair, and (like Miss Reggi) gives the impression that he is an assault waiting for a victim. His game is not all that heavy. But he does not do much wrong, tactically, and he does not miss much, technically. So he has to be overpowered or out-manoeuvred.

When it comes to outmanoeuvring people, Mecir is your man. He looms across the court with long, seemingly unhurried strides that (given the further advantage of quick anticipation) take him into position with time to spare for perfectly timed strokes. These are difficult to read because he has the knack of making the ball wait his bidding — or so it seems. Mecir's timing is so good that, with no obvious effort, he achieves those startling accelerations of pace that are known in the trade as "weight of shot".

There is further deception in Mecir's air of sleepy serenity. At times, Perry Como seems almost hysterical by comparison. Occasionally Mecir shook his head vigorously, suggesting that he felt only half awake and wanted to stir the other half into active service. He is a quiet, contemplative man — the kind who enjoy long hours fishing. It is not in the least surprising that Mecir is an enthusiastic angler.

One should not read too much into the word "enthusiastic". Mecir likes a gentle life. Once he had survived a set point in the second set with a service winner to the backhand, Mecir had Gilbert on the hook and reeled him in at leisure. The only question, after that, was whether Mecir would fall asleep before or after his shower.

On the Centre Court, Pat Cash beat Mats Wilander in a delightful match between two young heroes whose shrill-voiced supporters gave the occasion a faint flavour of a rock festival. Cash and Wilander both "dress down", which is to say that on and off court they are fashionably dishevelled. In the parlance of rock, Cash is the "hard man" more prone to sharp asides off court and equally searching shafis on court.

In 1984, Cash beat Wilander on his way to the semi-finals of the Wimbledon and United States championships. The astonishing thing is that — four weeks after an appendix operation — Cash has now beaten Wilander again. Cash served well, covered the net, and volleyed with such assurance that it was awfully difficult for Wilander to pass him. Wilander played well — but not well enough.

More Wimbledon news and results on page 37

rather turbulent career as a junior is still echoing down the years.

Whatever the reason, he

Castle fights way into Davis Cup

Andrew Castle, the Somerset player, has been named in the British Davis Cup team to face Australia in the quarter-finals at Wimbledon from July 18 to 20. He will play alongside John Lloyd, Jeremy Bates and Colin Dowdeswell.

Castle, aged 22, the Jesuit last week in a five-set match to the Wimbledon No. 2 seed, Mats Wilander, of Sweden, must wait to see if he will be called on to play in the singles. The team manager, Paul Hutchins, has not specifically asked Lloyd whether he intends to adhere to last week's announcement that he had finished with major singles competition.

He added: "Certainly, I have discussed Lloyd's participation in the Davis Cup as a whole. But there is no immediate hurry to press him into making any decision."

If Lloyd relents and says he does want to play as Britain's No. 1, then Hutchins will have to decide whether Castle or Bates becomes the second of the singles players. Lloyd and Dowdeswell seem certain to play the doubles, for they are unbeaten as a partnership in their five matches together.

Hutchins said: "As you know, I regard Colin as my secret weapon. He and John don't practise together — I just throw them into the match and they are unbeaten."

Although the Australian team has not been announced,

Maradona's award

Mexico City (Reuters) — Diego Maradona, captain of Argentina's World Cup-winning side, was the overwhelming winner of an award for the best player of the tournament. Maradona, who scored five of his team's 14 goals and was involved in all but two of the others, topped a poll conducted among journalists by a sports equipment firm. The West German goalkeeper, Schuster, was second and the Danish forward, Elkjaer, third.

SPORT IN BRIEF

North gets a share

South Korea has agreed to an International Olympic Committee proposal that North Korea should be allowed to stage a limited number of events at the 1988 Olympic Games. It is expected that the table tennis and archery events will be staged in the north, and that the 60-mile cycle road race will start there but finish in Seoul. One of the four football groups may also play in Pyongyang, the North Korean capital.

Clarke moves

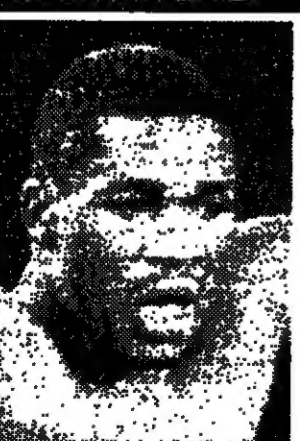
Colin Clarke, the 23-year-old Bournemouth forward, who scored 35 goals last season and once for Northern Ireland during the World Cup finals, has joined Southampton for £400,000. Clarke joined Bournemouth from Tranmere Rovers last summer for £22,500, a fee fixed by a League tribunal, and Bournemouth must now pay a third of their profit to the fourth division club.

Innings closed

Sir Donald Bradman, 77, cut his last official links with cricket yesterday when he retired as trustee of the South Australian Cricket Association and as a member of its ground and finance committee.

Big splash

Mike Hazelwood, of England, has set a new world record water-ski jump of 203 ft at an event in Birmingham, Alabama.



Witherspoon: refusal

Country boy

Tim Witherspoon, who arrives in Britain on Thursday, has refused to train in London for his world heavyweight title defence against Frank Bruno at Wembley on July 19. The promoters had made arrangements for the champion to train in public in a specially constructed gymnasium in the West End.

Out of bounds

Venezuela has barred South Africa from sending teams to this year's world amateur golf championships, which will be held in Caracas in October. South Africa was barred from the last championships in Hong Kong two years ago.

Service break

Eddie Chapman, 62, West Ham United's chief executive and secretary, has retired, one month short of 49 years' service with the club and as the Football League's longest-serving club administrator, having been appointed West Ham's secretary in 1956.

Winding down

Charles Cox, Gillingham's chairman, who last week told two directors they could not stay on the board, has himself resigned. The club owe almost £700,000, including £126,000 to the Inland Revenue, which is threatening to seek a winding-up order.

Munro chosen

Bob Munro, aged 50, will manage Scotland's rugby union squad during the World Cup tournament in Australia next May.

Date change

The Worpleston mixed foursomes event has been moved forward a week to October 3 to 5 to avoid a clash with the British Women's Open championship, originally to have been held this month.

Case adjourned

Winding-up proceedings against Middlesbrough Football and Athletic Club were adjourned for 14 days yesterday after an application by Counsel.

Cavanagh goes

Tommy Cavanagh, 58, has resigned as manager of Burnley after eight months in charge for medical reasons.

Early lead

Cambridge won the first two races in the Varsity sailing match, a best-of-seven series being hosted by Aldebury Yacht Club. In the first race, Robinson, the Oxford captain, retired after a pre-start incident with Rob Plummer, of Cambridge.



Argentina encore: Gabriela Sabatini marches into the last 8



Swedish swansong: Mats Wilander, the No. 2 seed, bows out (Photographs: Chris Cole)

A French jester is king of the court

By Richard Evans

The bombardment was unceasing and irresistible out on court two. John Fitzgerald, trying manfully to improve an absurdly low ATP ranking of 146, eventually buckled in the face of a fearsome French onslaught and lost to Henri Leconte 7-6, 6-7, 6-2, 6-3.

If Leconte should manage to keep all that talent under control over the next three rounds he could become the first Frenchman to win Wimbledon since Yvon Petra in 1946. That is asking a lot because Leconte's game is always peppered with moments of explosive extravagance which the world's best players can exploit to their advantage.

One thing is certain. Every step Leconte takes from now on in these championships will be greeted with glee by an ever-increasing army of supporters, many of whom were on their feet cheering him yesterday as he threw his racket in the air and his sweatbands into the crowd.

Bowing to the demands of a difficult game, Leconte keeps much of his delightful personality under wraps during his matches now, for there is no denying that he is quintessentially French. The

droll, handsome and very Gallic features are those of a man you might expect to find ordering a pastis over some zinc-topped bar off the Place Kléber. And if he headed off for the local music-hall afterwards that, too, would be in keeping with his personality. The man is a comedian.

There is, however, nothing funny for the poor soul on the other side of the net when Leconte is playing this kind of tennis. He won the first-set tie-break with some devastating service returns by seven points to one and then helped Fitzgerald battle his way back into the match by blowing an easy forehand volley and hitting the stop netting with a backhand midway through the second tie-break.

The Australian, who was playing for a singles place against Britain in the Davis Cup, switched his point of attack to Leconte's forehand in that second set and, for a time, it paid off. But the pressure on Fitzgerald to get his first serve in and keep it deep was too much in the end as a stream of service return winners left him in no doubt as to why this funny Frenchman is the ninth best player in the world.

ATHLETICS

Coe needs fast time to end acrimony

By Pat Butcher, Athletics Correspondent

Another good run from Sebastian Coe in the Mobil grand prix meeting in Stockholm this evening should help dispel the acrimony over the preferential treatment extended to himself and Steve Ovett by the England selectors for both the Commonwealth Games and the international match last week, where neither competed.

For while it is proper that political niceties should be observed all round, from selectors pursuing their advertised policy to elite athletes respecting their peers, most people would prefer to see, write and talk about Coe doing the thing he does best — running fast times.

Coe will have earned one Commonwealth place with his 1,500 metres victory last Friday in 3min 34.32sec, the fastest in the world this year. And tonight's 800 metres could be a duplication on both counts.

But Coe will also need all his competitive ability, for he faces Johnny Gray of the United States and Jose-Luis Barbosa of Brazil, who have run 1:44.73 and 1:45.17 respectively, the two fastest so far this season. Coe has run 1:45.66.

There is a tremendous programme for this meeting in the 1912 Olympic Stadium, and none better than the 5,000 metres. Said Aonita, the world record holder and Olympic champion, heads a field with

FOOTBALL

Two die in victory celebrations

Buenos Aires (Agencies) — At least two people died, and a further two were seriously injured, as Argentines took to the streets in an outburst of delight following their country's 3-2 victory over West Germany in the World Cup final. Further incidents resulted in more than 200 being gaoled. But, generally, the celebrations were without violence — although noisy, colourful and exuberant, police sources said.

President Raul Alfonsín telephoned the team coach, Carlos Bilardo, with his congratulations, and newspapers and magazines came out with special editions to mark the victory. "World Champions", proclaimed the front page of La Razon. "The nation poured into the streets to celebrate the great victory," it said in another headline.

Two provinces declared today a holiday, and officials said Alfonsín would receive the team at Government House with a mass celebration expected in the plaza below. The moment of victory was greeted with an explosion of noise as crowds surged into streets that had been deserted for more than two hours.

People banged on pots, pans and drums, chanting "Argentina" and "Maradona". State television estimated that one million people gathered in the central plaza of the republic, where the giant obelisk was covered in blue and white Argentinian flags. The Labour leader, Saul

Ubaldo, who watched the match at his office at the General Labour Confederation headquarters, said the victory "was nothing more or less than the triumph of the people". He added: "These players have made Argentina known in the world as a champion, and from now on we must fight for Argentina to be known as a free, just and independent nation."

In West Germany, defeat was accepted affably. The mass-circulation Bild carried a photograph of veteran forward Karl-Heinz Rummenigge, on his knees, pounding the ground with his fist after missing a golden scoring opportunity in the first half. But, in an inside-page headline, the newspaper asked: "Why be sad? We achieved so much!"

Few football observers, including the West German team manager, Franz Beckenbauer, had expected the team to make it all the way to the Mexico City final because of nagging injuries to key players, and formidable competition.

West German politicians sent congratulatory messages to the national team for its strong showing, and the Bonn daily, General-Anzeiger, summed up feelings when reminding readers that their team had reached the World Cup final for the fifth time: "And no one has ever done that before!"

David Miller, page 36

Correct blend the key factor

By John Woodcock, Cricket Correspondent

Whenever English cricket is in the dumps these days there comes a call from somewhere for a full-time manager of the England team — "a kind of Alf Ramsey" — was the original idea, which suggests that it was first floated in the second half of the Sixties. Some such appointment, though not of a "supremo", will be discussed at today's executive meeting of the Test and County Cricket Board (TCCB).

The snag, of course, is in finding the right person for the job. It is all very fine in theory, but the man one captain can work with is another captain's *hôte moin*. In India, for example, in 1963-64 David Charles, now the treasurer of MCC, struck up a particularly happy relationship with his captain, Mike Smith; yet seven years later, when he managed his next MCC side, this time to Australia, he and the Ray Illingworth of those days were hopelessly incompatible.

It is because of the importance of getting the chemistry right between the captain and a long-term assistant manager, and the difficulty of defining their ultimate responsibilities, that I begin by preferring the present arrangement, whereby, if there is a natural choice (such as Ken Barrington) he is fitted into the scheme of things, at home and abroad, without being given any permanent authority.

Today's captains need support

A year ago Bob Willis was being seen as the best man for some sort of on-going managerial position. With that in view he was sent to the West Indies as No. 2 to Tony Brown, and they now know as Lord's that for the moment anyway they were on the wrong horse. However, the search goes on. Among those being canvassed are Illingworth and Brian Close, both successful captains in their time, both Yorkshiremen, and both fairly sure that they always know best.

More than ever today's touring captains, or most of them, do need the support of an experienced and respected cricketer. Barrington was so good because he had character, understanding, and a genuine enthusiasm, and he had himself been a great player. He was what we could have done with in the West Indies last winter, yet not, as it happens, quite what Barrington was looking for when he was England's captain in Australia in 1979-80.

One of Barrington's few misjudgements as a captain — and again it probably had to do with personality — was to tell Barrington that he would rather the players were left to sort out their technical problems for themselves.

In Australia in the coming winter, assuming he is captain, Gattling could have an easier and more successful tour if he has an old soldier (Willis is still not an old soldier) to work with. For better or worse the TCCB are, I think, looking to appoint someone for two or three years at a time to liaise, encourage, advise, coach, select, humour and communicate at Test level. If Gattling is also to be given an extended run as captain, a partnership between him and Fred Titmus would have much to recommend him. The idea grows on one.

Botham in deep water again

The senior manager would be more likely to change from tour to tour, and in view of the problems there have been on recent tours nothing can be left to chance in Australia. It is because of this that Donald Carr, who will have replaced the secretaryship of the TCCB by then, or Peter May may be asked to go. Another way of thinking about it is Mike Smith, if he could find the time. He has a great way with him.

Whether whoever it is will have Ian Botham as a member of his England party remains to be seen. Botham is in deep water again for having taken a crude swipe at the selectors in an after-dinner "speech" in Manchester last week. What he said, though, offensive as it was, was never intended for publication. It is just so sad that he is so contemptuous of discretion.

I hope the TCCB rise above it at their meeting today, for what could be more awful than having to endure another of those disciplinary affairs, followed by a portentous judgement and an appeal; and all the rest of the pauper. Once again, it is as much himself as the game that Botham has brought into disrepute.

That over trip

Tomorrow

Flightless peacock?

IBC

Portfolio - Gold -

The Times Portfolio... page 22

A-levels drop

Police ruling

Gallery to go

Tipsos results